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FROM ABENOMICS TO WOMENOMICS: WORKING WOMEN AND JAPAN'S ECONOMIC REVIVAL

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P R O C E E D I N G S

MIREYA SOLIS: Hello. Good afternoon, everybody. I'm Mireya Solis. I'm a senior fellow and Knight Chair in Japan Studies. And it's really a pleasure to welcome all of you to this program this afternoon, "From Abenomics to Womenomics: Working Women and Japan's Economic Revival."[*]

Let me introduce, a little bit, the topic. I would like to highlight what the stakes are, and why this is such a timely issue to be discussing today here in Washington.

I think that all of us are aware about the very stark demographic trends that Japan is confronted with. We all know that the population in Japan is project to drop very sharply -- 30 percent by the year 2055. And we're, of course, aware of the tremendous burden that that will impose, as shrinked [sic] workforce will have to shoulder the cost of social security, and therefore the tremendous challenge that this represents for the vitality of the Japanese economy.

And even though everybody is aware of these challenges, of these trends, I think it's fair to say that up till now it has been very difficult for Japan to tap the potential of half of its population: women. I think it's really striking that when you compare the educational achievement of Japanese women, they actually do very well compared to their peers in industrialized countries. And nevertheless, frequently, more frequently, they drop out from the workforce after the birth of their first child, only to come back years later -- usually as part-time workers, where they will enjoy fewer benefits and fewer chances of promotion. And I think that, confronted with these prospects, many Japanese women are foregoing altogether motherhood. And this has contributed to very low fertility rates in Japan.

So I think it has become a very pressing issue for Japan to be able to deliver work-life balance to both men and women, in order to address these very dire demographic and economic trends.

And I think it is from this point that the Abe administration has now elevated the promotion of working women to become one of its signature policies, in this project of economic revitalization that is commonly called "Abenomics." I don't think we've seen, in the past, such priority to the issue of

[*] "Womenomics" is a term coined by Kathy Matsui. See "Womenomics: Japan's Hidden Asset," *Japan Portfolio Strategy*, The Goldman Sachs Group, Inc., October 19, 2005; http://www.goldmansachs.com/our-thinking/focus-on/investing-in-women/bios-pdfs/womenomics-pdf.pdf.

how can we encourage female labor participation, how can we deliver this work-life balance.

So, the purpose of this conference is precisely to address this issue, to look at it in greater depth, and to identify the opportunities, the challenges, as Japan tries to make this very important change in its policies so that greater opportunities for economic participation are extended to half of its population.

We have a very rich agenda today. First, we're going to have a keynote address by Vice Minister Muraki. Then we're going to move on to an expert panel. And, finally, we're going to have a roundtable of female leaders in Japan.

And it was only possible to have such a rich agenda due to the generosity, the willingness of all the participants, the speakers, to come from far away. Many of them actually came from Japan so they could be here this afternoon with us. Some of them came from closer, and some of them are actually local talent in Washington, D.C. But it is their willingness to share their expertise that has made this program possible.

And, as always, I want to thank the Center for Global Partnership for their support of the Japan Chair activities here at Brookings. It also enables us to bring to you these discussions, which we hope are useful to all of you.

Now, let me say that, at Brookings, we are deeply honored that Vice Minister Atsuko Muraki, from the Ministry of Health, Labor, and Welfare has agreed to deliver the keynote.

Vice Minister Muraki has had a very distinguished career. In Japan, only two females have ever been appointed to the rank of Vice Minister. Ms. Muraki is one of them. I think it's very important to follow her trajectory. After studying economics at Kochi University, Vice Minister Muraki joined the Ministry of Labor, and she held, there, positions of great responsibility -- for example, as director general of the Equal Employment, Children, and Families Bureau, and director general for Policies in a Cohesive Society at the cabinet office.

I should also note that Vice Minister Muraki is a best-selling author, and I want to just show you a little bit the cover of her book. It is titled, *Akiramenai,* which basically translates as "Do not give up." And it is a message of encouragement that Vice Minister Muraki extends to all the working women by sharing her own personal experiences, the challenges, the travails, that she herself experienced, and therefore showing that there's a path ahead.

And I have read a part of the book. I must apologize, I have not read it entirely, but I have to say that the most powerful message I got from this book is that, undoubtedly, Vice Minister Muraki is a top, elite, bureaucrat. And yet the lessons, the experiences that she's sharing with all of us really have a resonance with every professional woman out there. And I have to say, they reach not only women in Japan, but also women outside Japan. Because many of the insights that you offered in that book, I felt, very closely applied to my own path. And I thank you very much for writing that book, and for sharing your insights with us today.

Please join me in welcoming Vice Minister Muraki. *(Applause)*

ATSUKO MURAKI: Ms. Solis, many thanks for kind introduction. Ladies and gentlemen, it's an honor to speak here at the Brookings Institution.

I would like to take the opportunity today to explain how the administration of Prime Minister Abe is seeking to promote greater participation by women in the economy, and discuss the importance of this challenge.

Before that, allow me to first briefly explain how I came to be in this role. In July, I was appointed vice minister of Ministry of Health, Labor, and Welfare, under the Abe administration. This is only the second time within the Japanese civil service that a woman has held such a vice ministerial position, and the first time in 16 years. I was honored to be offered the role. Naturally, I felt some nervousness, and had to think seriously before accepting, as I fully recognized the importance of the challenge and heavy responsibilities.

However, I needed to force myself to overcome any such fears. I realized that this was a great opportunity to do what I have always been telling my young female coworkers to do -- to see the opportunity to grow, and assume greater responsibilities when the invite comes. This has always been my philosophy.

I was born in Kochi, a small city in Japan's Shikoku region. I studied at the regional university, and I was, I think, a serious student. Like everybody else, I also had a dream, but my dream was rather realistic. I wanted to work and be self-reliant -- as simple as that.

At that time the equality employment opportunity law did not even exist. Very few private companies hired female graduates as candidates for

executive positions. So, I moved to Tokyo and applied for work in the national government, where gender equality was comparatively limited. I had no relatives or friends in Tokyo to ask for support. I was on my own. But this experience, I believe, taught me how to be assertive when necessary.

In 1978 I joined the Ministry of Labor, now the Ministry of Health, Labor, and Welfare, where I became one of very few female employees. But compared to other ministries, the level of participation by women was greater. And before, I was blessed to have great mentors, who always kindly gave me support.

Compared to major economies globally, Japan is often cited as a country with low levels of female representation. This cannot be denied. However, from my own personal experiences, and as a person who have been involved in making policies to promote a woman's employment throughout her career, I can confidently tell you that Japan has made considerable progress. We are, however, still facing major challenges.

Japan's workforce is now shrinking due to its low birthrate and aging population. It's a serious challenge that requires a serious, determined response. Many, including Prime Minister Abe, argue that for Japan to sustain economic growth, it is vital that we better integrate one of Japan's most underused resources, the skills, talents, and (inaudible) women.

The demographic challenge is, therefore, a great chance for us to empower women. After firing the first two arrows from his Abenomics quiver -- namely, monetary expansion and fiscal stimulus -- Prime Minister Abe announced that Japan's revitalization strategy, the third arrow, where he stressed that creating a society in which women's sharing is at the core of his growth strategy.

Let me briefly explain where we currently stand in terms of the participation level. Here, we can see that Japan currently ranks 10th out of 187 countries in the human development index, HDI. This means that Japan has a long life expectancy, as well as a high level of education. However, we perform extremely poorly in the Gender Gap Index: 101st out of 135 countries. This means that although Japanese women are well educated, there are not many opportunities for them to play an active role.

The next slide shows female employment rates by age group. The light blue line is Sweden, the dark blue is South Korea, the pink is France, the brown is U.S., and the red is Japan. If we compare the red dotted line, which

shows Japan data from 2001, with the red bold line, which shows the recent data, a clear shift can be observed. We still follow the M-shape, but we have taken great strides forward, and we continue to do so. The "M-shape" means that there is still a large proportion of women who leave the labor force when they get married or give birth to a child, and then rejoin the labor force once the child has grown and there's less burden of child-rearing.

Looking at the total fertility rates and female employment rates among selected OECD member countries, we see that northern European countries, France, the United States, and Australia are performing well. In contrast, there are some countries that rank low on both rates. I think it is clear which side we'd like to be on.

Prime Minister Abe has set a goal of increasing the number of women in leadership positions to 30 percent by 2020. This is what the numbers look like today in a few chosen sectors.

For instance, the percentage of women who have reached director positions and above in the national civil service, like myself, is only 2.6 percent. The data clearly shows the importance of making it easier for women to continue working and be promoted to higher positions.

As I mentioned earlier, promoting women's participation in society is a key pillar of the nation's new growth strategy. First of all, among the efforts currently underway in Japan, Prime Minister Abe is now asking the private sector to raise the number of women holding executive positions. To start with, he has asked firms to appoint at least one woman to their boards. We have received positive feedback on such a proposal from three major business organizations, representing several thousands of companies nationwide. In fact, when I visited Mr. Yonekura, the chairman of the Japan Business Federation, for the first time as Vice Minister, our conversation began with how to promote the appointment of women to executive positions. This, I must tell you, is unprecedented.

Questions regarding greater female participation have started to be raised in shareholders meetings. Some companies are responding, and setting clear goals and plans for appointing female executives. My colleagues at the ministry are also busy working closely with the private sector to promote this policy. Clearly, the effects of Prime Minister Abe's policy are being seen at different part of the economy, demonstrating his leadership in seeking to achieve his goals.

Second, it is also vital to ensure that child care is available to those who need it. In Japan, every family is eligible to apply for child-care arrangements. And, at present, more than 2 million children are enrolled. The quality of service is equally high, regardless of income level. High quality child care was a major reason why I was able to continue working after giving birth. Like myself, there are many mothers who want to send their children to day care centers and return to work. However, in Japan, demand for child care far exceeds supply, and waiting lists are very long.

This shortage is a serious problem that is often cited as hindering women from participating in society. Demand is continuing to increase. And Prime Minister Abe has made resolving this issue a key part of the overall strategy. The Abe administration has made it a goal to eliminate child care waiting lists. To do so, we will ensure child care is available to a further 200,000 children over the next two years. By 2017, when child care demand is expected to peak, there, additional child care arrangements will be available to around 400,000 children to help address this demand. By doing this, we expect to be able to raise the enrollment rate to the same level as Sweden or France.

Realizing this aim will require substantial financing, Japan aims to ensure a stable revenue source for the improvement and stability of social security, at the same time, restoring our financial soundness. A key part of this strategy will be to direct consumption-tax revenues. These should go not only to the medical treatments, pensions, and elderly care that are needed in our aging society, but also to countering our falling birthrate. I, myself, as the person leading the department in charge, have been involved in enacting vital legislation.

Third, it is important to develop a working environment that encourages men to play a more active role in parenting. Recently, a group of Diet members, including health, Labor, and Welfare Minister Tamura, formed an official nonpartisan group called "Ikumen Giren," or "union of child-raising men" in English. Another similar example is the *kosodate dome*, or "child care coalition," consisting of governors, including one who took paternity leave while in office.

In Japan, men who actively play a role in raising their children are known as "ikumen." This is a new term, combining "men" with "iku-ji," the Japanese word for child care. Incidentally, I am very happy to call my husband the original *ikumen*, because he was always there helping out with child-raising, doing laundry, and cooking -- long before it became more common for Japanese men to do so. I can tell you that his paella and roast beef are the best.

The government is actually supporting these trends, for example, through revisions made in 2009 to the Child Care and Family Care Leave Law, that provides mothers and fathers with greater access to leave and reduced hours to support child care activities. To ensure that those who take child care leave feel comfortable and secure, and able to enjoy parenting, it is important to secure their income. Under the current system, employees are guaranteed to be paid 50 percent of their wages during their leave. We are considering the possibility of increasing this amount.

In the growth strategy, Prime Minister Abe suggested extending child care leave from one to three years. This raised concerns from some in Japan that he was encouraging women to basically leave work for three whole years.

I'd like to take this opportunity to say that this is not the case, that child care leave extension is intended as an option, and he has called upon the business sector to make it easier for mothers and fathers to either take child care leave or working reduced hours until the child is three years old. This strategy is also backed by measures to expand child care facilities, and provide retraining to help parents resume their careers smoothly after the gap.

There are many value sets and ideas regarding what a family should be. In considering which policies will be suitable, Prime Minister Abe is sure to listen to various opinions, and respond thoughtfully and flexibly. It is very important for women to speak up clearly. After all, he's not a woman.

Fourth, we need a better work-life balance. In Japan, laws such as the equal employment opportunity law, and child care and family care leave law constitute a solid foundation for greater participation by women in society. And there's no difference between men and women, in terms of competence. But, in reality, many Japanese women still often find themselves shouldering a greater part of family responsibilities, such as child care and household work. In addition, due to the expectation that full-time employees work long hours, women often have no choice but to step back from full-time work.

To resolve this problem, we must continue creating a good work-life balance for men and women. In Japan, the government, together with labor unions and employers' organizations, drafted a Work-Life Balance Charter to set the direction. They are now taking action to promote the initiatives.

While Japanese society at large recognizes the need for a healthy work-life balance, implementing it can be a different story -- and very challenging. If I were asked what the worst enemy was in my attempt to build my career, without hesitation, I would answer that it was the long working hours. I'd be very interested to hear your thoughts on these matters, and to return to Japan with ideas for effective solutions.

Finally, it is essential to make it possible for a woman to pursue her career for as long as she wants, and that she is given opportunities for promotion based on her capabilities and experience. Whether it's on-the-job training or a get a license, you work hard to brush up your skill. And when you reach a higher level through your efforts, you see a completely different scenery, and deepen your knowledge in ways you never imagined.

This is the best part of having a job, the feeling that you are achieving something. I'd like to see all women grasp opportunities that let them feel this fulfillment in their work. In her recent book, *Lean In*, Sheryl Sandberg said that women often judge their own performance as worse than it actually is. Japanese women are no exception. Japanese women also tend to build their own wall, and avoid taking on bigger tasks with heavier responsibilities. I sincerely wish that they become more confident in themselves, act more assertively, and do not run away from new challenges.

Through the effective measures such as those I have outlined, I'm confident that we will see advances in the role of women in Japan, we will see the society in which women shine envisioned by Prime Minister Abe come true.

At a personal level, I find my job very challenging and rewarding, which I believe is very important. I do not recommend to others to take an easier or less challenging job just because you are also raising children. Only when you choose a job that you find challenging and rewarding will you find the energy to continue doing it. That is why I encourage my young coworkers to accept new tasks and chances of promotion whenever they are offered.

In closing, I'd like to express a commitment, as a government employee creating policies under Prime Minister Abe, and as a working mother, I will do whatever I can to realize a society where having both a job and a family is perfectly normal for both men and women.

Thank you very much. *(Applause)*

DR. SOLIS: Vice Minister Muraki, thank you so much for such an excellent speech. I found it very, very insightful. And I would like to take the opportunity to ask you the first two questions, and then I'll open the floor to hear from the audience, as well.

And the first question I have has to do with this chart you showed us. And when you remarked that the goal of Prime Minister Abe is for women to represent 30 percent in positions of leadership by the year 2020. And when you listed all the professions, I thought it was really striking that the national service was a the bottom, with just 2.6 percent. So it's a very, very big gap, from 2.6 percent to 30 percent.

So I was wondering, given that your whole career has been within the national civil service, if you could share with us why you think it's such a low number, and what can be done to make progress towards the target.

VICE MINISTER MURAKI: Well, the toughest question first. Well, first of all, the national civil service in Japan has a very strong seniority system. When I first became a civil servant, when I recall, there were about 800 civil servants in that year -- 800 people became civil servants that year, including all the ministries and agencies. Out of 800, only 20 people were female. So it is very close to the rate you just cited of 2.6 percent.

However, currently, in my ministry, one out of three new national civil servants are female. It might take -- it will take some time, but definitely we will see the improvement of the ratio of the Japanese female civil servants taking the leadership role. It will take time, but it will happen.

DR. SOLIS: Thank you very much. And if I can ask just one more question, please.

You mentioned in your speech that when you started working, the equal employment opportunity law was not yet in place, and that if you have that long-term perspective, things have indeed improved for women in Japan.

But, still, significant challenges and differences and gaps remain. And I'm thinking in particular, perhaps, about the wage gap, and that women in Japan that do similar jobs are simply not paid at the same levels as men.

So I wonder, when you look at the equal employment opportunity law, what would you say, in the 20 years-plus since its enactment, what would you say are its main accomplishments? And where are the new frontiers, so that the gaps can be closed? Would these require changes to the law, or changes in the way it is implemented?

VICE MINISTER MURAKI: Yes, it's been more than 20 years since the equal employment opportunity law has implemented. Prior to that law,

the females, the women, were not able to be employed. Or, when she got married or had the first child, then she was forced to quit her job.

So because of the equal employment opportunity law, that kind of institutional discrimination, that kind of discrimination does not exist anymore. So, before the equal employment opportunity law, the women, even though they wanted to have a career, they were not able to pursue any career. Now they are able to choose to pursue a career.

In Japan now, women are in every single sector, and they are in every field. And I don't think there is even one single person in Japan, or in the companies in Japan, that women are inferior to men in terms of capability, or I don't think anybody believes that there is any field that women cannot perform as well as men.

So, in that sense, the only outstanding challenges and issues that we are facing are twofold: Number one, are that we have to have a society that women can have a career, can work and, at the same time, can enjoy the family life, the work-life balance. Right now, the women's wage, or the salary, is only 70 percent of the man's. And the fact is, or the reason for this gap, is that women quit their work in the middle of the career. And there are two reasons for that -- and that is the first factor. And the second factor is that women cannot get promotion.

And in order to address these issues, we will have to have enough day care system, day-care center system, in Japan, so that women will not have to quit their jobs in order to raise their children, so that we can eliminate that M-curve.

And, number two, the companies will have to have a system to make sure that women can get promoted, so they're encouraging the firms or businesses to promote women.

In this sense, I believe the policies under the Abenomics are right on.

DR. SOLIS: Thank you so much, Vice Minister Muraki. So, now I would like to open it to the floor for questions. Our time is very limited, so I will take two questions at a time. I'll ask you to be very concise, to wait 'til you get the microphone, and identify yourself.

So, I have this lady over here, and that lady over there. So, wait for the mics, please, and then you can ask your question.

Thank you.

QUESTION: Thank you very much. I have two questions: How women can become a government employee? And the second, how they can be promoted?

QUESTION: Robin White, from the Foreign Service Institute. When talking about Japan's demographics, two problems, or two potential solutions, are, one, more women in the workplace. Another is easing immigration. And those could be linked. Because, in this country, when women can't find day care, which is all too often, they often hire nannies.

Any chance on loosening up on immigration, which might help women?

VICE MINISTER MURAKI: Thank you very much for your questions. About the first question, in order to become a government worker, national government worker, you have to pass the qualification test. And you take this test relatively young. And once you are in the ministry, or an agency, then you get promoted inside the ministry or agency. You do not have to take any exams or tests to get promoted, you get promotion based on your performances and the evaluation of your performance.

The second question, about the immigration and the Japanese demographics, that discussions are going on, very heated discussions are going on in Japan now, whether we should have a more liberal or open immigration policy.

One of the concerns expressed during these discussions is that right now, the Japanese women are not utilized fully, they are underutilized. And is it a good idea to have more immigrants, to have relaxed immigration policy, while there is still talent and resources underutilized, which are women in Japan. So that is a very big controversy in Japan right now.

Number two, the question of whether there will be now discrimination against the immigrations, the question is whether Japan is ready, culturally, to accept immigrants without any discrimination? Do we have that mental and cultural infrastructure in Japan?

And the second issue you pointed out, about hiring a nanny if you cannot find a day care center -- well, the trust level of the day care center in Japan is very high. And they are very qualified. So, right now, the plan is that for the day care centers' budget, budget to subsidize the day care centers, will be increased by 35 percent, funded by the consumption tax, so that the Japanese

father and mothers who can work, Japanese fathers and mothers can work without worrying about their children while their children are going to be in the day care center. And that environment is just about to be improved, and about to be established.

DR. SOLIS: Thank you very much.

So, we have five minutes. I know someone who is very eager to pose a question, so the mic goes to her.

But I also would like to hear from men in the room. Is there anybody, are there men in the room that would like to ask a question to Vice Minister Muraki? Don't be shy.

QUESTION: I'm so sorry, it's five minutes, I don't deserve this opportunity, but I really will thank you all, you know, especially Brookings. I've been a regular attendant here for the last few years, but I stopped coming here. But today is my subject of interest.

So -- quickly, I know there's nobody to talk to, and I'm an ordinary person. I had worked for Radio Free Asia, and I don't work for them anymore, so I have some knowledge about things that are going on while working, and researching, and translating things. So I'm glad that I'm out of it, because I don't have to carry the burden of knowing things and not being able to do anything.

So, my question is, well, if there's no answer, at least please, please work on this. And I know Japan is like all the powerful countries, leading nations.

So, a lot of youths here, and different countries, about women. I mean, when I see "womenomics," I see, like women and economics. And no matter –

DR. SOLIS: So, could you –

QUESTION: -- no matter what, in this world, we have so many young groups' interest in the name of private and governmental and, you know, things like that. But then, underneath, there are so many -- and there are more and more coming up, in terms of using us, or the women, and their offsprings, and especially, I think, the good –

DR. SOLIS: Thank you. Thank you very much for your question. I'm sorry, it's just that we have to also move on to another person that raised their hand. So, thank you very much.

QUESTION: Okay, so like, I mean, to -- which are the most nations that are involved in -- for example, like Russia and Japan? I know they have things to do. And the Soviet Union is totally "destructured," as they say. I don't know how far true.

So, like that, we need to do something. And is Japan doing anything -- or, if not –

DR. SOLIS: Okay. Thank you.

QUESTION: -- will they take the lead role again.

DR. SOLIS: You made your point. Thank you very much.

QUESTION: Okay. Thank you.

DR. SOLIS: So, the last question of the afternoon.

QUESTION: Hello, my name is Ruta Aidis, and I'm from the Global Entrepreneurship and Development Institute. And we launched an index measuring the conditions for high-potential female entrepreneurship development in 17 countries. We compared 17 countries this year. And Japan came out 12th out of 17. It was both developing and developed countries. And it came out to the conclusion that economic development is not enough.

And I just wanted to ask the Vice Minister about her comments about -- she was talking about the labor force, but the importance of highly educated women with skills going into entrepreneurship to really further contribute to the economic growth and competitiveness of Japan. Thank you.

DR. SOLIS: Thank you.

So, we only have one minute left. So I don't know if you would like to share some insight on the questions.

VICE MINISTER MURAKI: Yes, thank you for your question. I have discussed mainly about the women workforce in the private sector, or the government sector, however it is also important that women become entrepreneurs, and have their own business.

And in the Abenomics, they are promoting and supporting to create new industry and new businesses, and also promoting and encouraging to shift a very excellent workforce to different sectors.

And now, in Japan, because of the lower birthrate and aging population, we are focusing on a different kind of sector, new sector, which has a lot to do with social welfare, and businesses which contribute to the society in a very great degree. So we are focusing on those businesses for the community-based businesses, and we are going to support this kind of entrepreneurship.

DR. SOLIS: Thank you so much. It has been a wonderful opportunity. I think we've all learned a great deal from Vice Minister Muraki. So, please join me in thanking her for coming today. *(Applause.)*

Thank you very much. Thank you so much.

[Recess]

DR. SOLIS: Thank you so much. So, we are now going to move on to our expert panel, and I have asked the panelists for this afternoon to address two questions that I think are very important for us to better grasp the complexities of this issue.

One is, I think it's important to talk about Japan in comparative perspective, and therefore the question is, why has Japan lagged behind other industrialized countries when it comes to promote the participation of women in the workforce? What is the complex set of social, economic, and political factors that have created buyers for more participation of women? And the other one is, of course, to discuss Abenomics proposals for increasing female labor participation. What are the set of policies, initiatives, measures that the government is contemplating so that this time some real progress can be achieved?

Now, we have a very distinguished group of experts to address these questions. Let me introduce them briefly.

Dr. Chad Steinberg is a senior economist at the International Monetary Fund, currently at the emerging markets division, and he spent four years as regional representative in Tokyo and desk economist on Japan, and I have to say, he's completely fluent in Japanese.

He is also the coauthor of a paper that I think has shed a great deal

of light on precisely the topic we are discussing today, and all great papers start with great titles, and the title of his paper is, quite simply, "Can Women Save Japan?"

And Dr. Steinberg holds a Ph.D. and N.P.P. from Harvard University and a B.A. from the University of Pennsylvania.

Next will come Ms. Riwa Sakamoto who is director of the Economic and Social Policy Office at the Ministry of Economy, Trade, and Industry, and for the past two years Ms. Sakamoto has been in charge of promoting diversity management and women empowerment. I think that she has launched some really interesting, innovative programs, one of them is, for example, an award program where corporations that have the most advanced diversity management practices get recognition in order to promote to disseminate these practices.

This is known as the Diversity Management Selection 100, and she also has launched the Nagashiko, Women Empowerment Brand, which is a joint program with the Tokyo Stock Exchange Market.

Ms. Sakamoto is a graduate of the University of Tokyo and has also studied at the Harvard and Stanford law schools, and I have to mention that she passed the bar exam in New York, which I thought was very impressive.

And then we have Dr. Frances Rosenbluth, who is Damon Wells professor of international politics and deputy provost at Yale University, and she's widely regarded as one of the top Japan scholars, so it's a real pleasure to have her here.

A large body of her work focuses on the question of the politics of gender inequality. She has authored many books, but there is one that's actually very much on target for today, that is a coauthored monograph, "Women, Work, and Politics: the Comparative Political Economy of Gender Inequality".

Dr. Rosenbluth holds a Ph.D. and master's from Columbia University and her B.A. is from the University of Virginia.

So, what we're going to do is we're going to ask the panelists to come each at a time in the order in which I introduced them to do their presentation from the podium so that they don't block the screen in case they are using a PowerPoint, and after that, we will all come to the stage and start the discussion and the conversation.

Thank you very much. So, Dr. Steinberg? Thank you.

CHAD STEINBERG: Okay, so, while we wait for my PowerPoint to get up here, let me first of all just thank you very much for the invite. It's really a privilege and an honor to be on this distinguished panel. Invites don't come so much to the IMF, at least for middle level staff, they usually go to the upper level staff. But I'm very happy to be here.

I mean, one thing I have to say at the start is that they make us give this disclaimer right at the front that the views expressed herein are not of the IMF, or not of the Executive Board, or of its management. Now, that said, everything that I'm going to say here today is more or less, you know, in line with the last Staff Report on Japan, so I'm not going to stray too far from the original policy line, but if you're taking quotes, please don't say "IMF says."

Now, let me give you the three sections of my presentation. I'll try to be quick because I think we only have 15 minutes each, but I want to give some motivation about why we're working on this, I want to give you a little bit of ideas about the cross-country evidence, what does it say, and then I'll give you some of the Japan-specific hurdles that we identify in our paper.

I must say that the Vice-Minister already touched on some of these issues, but I'll retouch on them a little bit.

I also have to say, because you said that my title was very great, but actually that title came from one of my colleagues, so I can't take all the credit for that. And now, actually, the IMF is using it for the world. They're saying, "Can women save the world economy?", so it's catching on. Not quite as good as Abenomics.

So, let's start with a few slides on the motivation and why we thought this would be an interesting paper. Now, as you can see in the left-hand side graph, Japan is aging faster than anywhere else with population projections suggesting that the share of the population over age 65 will rise from 9 percent in 1980 to 36 percent in 2040. Now, the consequence of this is, as many people have said, is that the rapidly aging society is that you'll really have a sharp decline in the labor force. The size of Japan's labor force, what you can see on the right-hand side, peaked at about 87 million in '95.

Now, given current population trends, it will be about 55 million in 2050. Now, that 55 million is about roughly the same size as he labor force was at the end of World War II. So, we saw the labor force go way up and now it's going way down.

Now, the consequence of that is, clearly, that unless output per worker rises at a faster pace to offset this decline in the number of workers, Japan's GDP is likely to fall behind that of many of its neighbors. It's already fallen behind China and it will likely fall behind other countries as well.

Now, that's a negative view at the start, but things aren't completely negative. There is still much Japan can do to help mitigate the decline in the size of its workforce. Now, I like to put little cartoons in my presentations, it adds a little bit of amusement, but most Japanese will know that this is the "Sazae-san Family", it's Japan's longest running animation series and in many ways it represents a typical or ideal family in 1960s Japan.

The older couple and the younger couple live together and the grandmother helps the younger couple take care of the children. There are basically two caretakers. But now, families have tended to migrate to major cities, so the younger couple moves to Tokyo or Osaka and leaving the parents behind.

Now, what happens is that the housewife subsequently has no one to help out with watching the children and without the development of support centers, like childcare, she has very limited choices concerning work. Since she has to stay home and watch the children, as a result, labor market is losing out on a highly educated resource.

Now, in some ways, the future of Japan depends on the little girl, Wakame. Now, she's not really the daughter of Sazae-San, she's the daughter of the grandmother, but that's a long story. But I mean but I guess the answer is just, you know, if policies are supportive of more participation of women in the world, she may end up choosing a very different path than the other women in her family.

Okay, so now that we've said something negative, something positive, let's see what we can get. So, now if you look at FLP rates across the OACD, Japan scores poorly. That's not showing up very well. I apologize. The left-hand side graph is very hard to read, but this is particularly noticeable when you look at labor participation rates in the comparison of males and females.

The labor participation rate for females in Japan is 25 percentage points lower than for males with most countries showing differences about 10 percentage points, and if we compare against Northern European countries, it's about 5 percentage points.

So, I know it's hard to see that graph, and for some reason, this must be an older version of PowerPoint, is that Japan is the second bar, right, so Japan and Korea are really bad, other countries about 10, Northern Europe, 5.

So, our simple point was that getting more women in the workforce would mean not only a larger labor force, but possibly a more skilled labor force given that Japanese women, on average, have more years of schooling.

Now, when we just do some simple back of the envelope calculations, we show that if Japan were to raise its labor participation rate for women to the level of other G-7 countries, the right-hand side graph, they could raise the permanent level of GDP by about 4 percent.

Now, if you were going to go one step further and raise it to the level of Denmark, Norway, and Sweden, then you might get another 4 percent.

So, the punchline there is that in the medium-term you can raise the level of GDP possibly by 8 percent.

Now these are very, you know, simple calculations and don't take a lot into effect except for the fact that we're going to have more labor in the workforce.

Now, is this unheard of? Not really. We've seen a transformation of this magnitude in the Netherlands, for example, where they had a similar dramatic increase in the past few decades.

Okay, now I want to switch gears a little bit and start talking about the cross-country evidence.

Now, the left-hand side graph shows the distribution of labor participation rates in the OECD at two points; 1985 is the blue line and 2005 is in red. What you can see is that across the OECD, FLP rates have indeed been rising with the mean and the distribution increasing from about 61 percent to 77 percent. At the same time, participation rates have started to converge with the width of the distribution narrowing considerably.

Right, so you see the blue distribution is very wide, you know, all different types of countries with all different types of participation rates, you see the red distribution, it's very narrow, you know, many countries are having much more similar participation rates nowadays, and the mean has moved up.

Now, Japan has also increased its participation rate, but a much

slower pace than the median country. So, as a result, within the distribution Japan has lost ground to many of its peers. Before the crisis, Japan was kind of near the top of the distribution or the middle, right, and now it's in the back, it's losing ground.

Now, what we believe is that demographics play an important role in explaining these changes. In our analysis we hone in on three variables of interest and that are easy to measure, we look at marriage rates, the number of children per women, and education levels. Now, lower marriage rates and fewer children reduce the opportunities for home production and therefore increase the attractiveness of market work. Meanwhile, a higher level of education strengthens the attachment of women to the labor market by increasing their potential earnings.

Now, the right-hand side graph basically shows that these have increased hand-in-hand with female labor participation rates. Indeed, when we look at changes over time within countries, demographics explain a good part of the increase in labor participation rates.

In Japan, for example, a reduction in the number of children per women explains most of the change.

Now, while demographics are important, they're increasingly less so in explaining differences across countries. This is particularly noticeable in the relationship between the number of children per women and female labor participation rates. In 1980, the cross-section of countries shows a somewhat negative correlation and this would fit well with what most people say in the past, right, if you increase the number of women workers, you're going to have few children and that's worse for demographics.

But if you look at that same picture in 2008, right, you don't have the same correlation going on. It's not clearly a negative correlation. And what we think this possibly highlights is that the importance of demographics diminishes or changes as countries demographics more or less converge. Most advanced economies have similar demographics at this stage, or much less different than they were in the past, especially if you go back and look at the histograms that are on the left-hand side here.

Now, the corollary to that is, if demographics aren't going to explain why countries are different, is that the onus for closing gaps in female labor participation rates is on policies. However, we weren't very good at identifying a single policy that's going to work, right, there's no silver bullet, right, there's nothing that's going -- you know, Japan can't increase the number of

childcare centers and all the sudden it's going to have labor participation rates equal to the U.S.

Policy can make a difference, but the results are varied and they're not as robust or as economically significant as the previous demographic results. One reason is that the data is not so great, but it's hard for us to pin down any single story.

Furthermore, one standard deviation in any of these policy variables that we have, for example, up here on the left-hand side, usually lead to less than a 1 percentage point increase in labor participation.

Still, don't get too negative. Our analysis does have some interesting statements. First, we find that wage gaps between men and women and expenditure on childcare are very predictors of the more recent cross-section, right. So, differences in how much a country spends on childcare and differences in that wage gap can explain a large part of what's going on.

Second, women have strong preferences for part-time work. So, labor participation is significantly higher in countries with a higher share of part-time workers, which allows women to balance both market work and family responsibilities. Now, it may be that part-time work is not leading to larger labor participation, but simply that more labor participation leads to more people wanting part-time work.

Third, leave policies have to be generous. Giving women increasing leave policies from three weeks to four weeks after you have a kid is not exactly very helpful. If you want a woman to be able to come back to the same job, you need to give her a year off -- I mean, it's very hard to measure exactly how many years you need, but small changes at the lower end, under a year, are not extremely helpful.

Now, the fourth point is that we like to use tax incentives and cash payments in lots of different countries, but we find those things tend to only help for lower income houses or for areas with lower education.

Now, we didn't look at individuals, we looked at countries, so we can't say that for sure, but, I mean, you can interpret this to mean is that, you know, the cash handouts and tax incentives should be mean tested in some ways and, you know, you shouldn't be giving cash handouts to people.

Okay, now, these are the type of policy conclusions we can get from the data, but unfortunately, they do not tell us why Japan is different, and

that's what everybody here is trying to find out. Now, the model helps explain the recent rise in participation rates due to demographics, but the model does not convincingly capture the characteristics of Japan's economy that set it apart in cross-country comparisons.

We think this is perhaps related to elements of the labor market that are not captured in the model and some of the things that the vice minister was just touching on, and two of the things that we think are quite important are the initial decision into the workforce at the beginning of a woman's career, and second, the flexibility of work once women have children.

Now, I'll touch on these real quick because I think the other -- I only have two minutes, I have two slides -- so, the first challenge that we highlight is higher FLP rates, is limited opportunity to enter career positions, as we just said. The most important individual labor market decision in Japan is typically made following graduation from university.

For women, the key decision at this juncture is often between non-career positions and career positions. Career positions pay more and usually include significant investment in human capital. Non-career positions, in contrast, are filled predominantly by women, pay less, and usually include less demanding tasks, and importantly, have little investment in human capital.

The result of this hiring system is that there are very few women in career path positions. So, if you look at this survey from the Ministry of Health and Labor, we found that women make up just 6 percent of employees and the share of women -- although this share has been rising, it's risen by just very little, right, so if you see the left bar set, right, you have 6 percent now and it's come up maybe 2 percentage points.

Now, the result of all this, I think, is the right-hand side graph which shows that there's very few managers in Japan. I think it's 9 percent versus the U.S., which is 43 percent.

So, one minute per slide.

So then what I want to transition here into is the second hurtle of a woman's career is usually when they return to work after childbirth. Now, the Vice-Minister already showed this M-graph, but it's interesting to talk about it a little bit again.

So, if you look at this M-graph you see that Japan has FLB rates similar to other countries in the early 20s, but the participation rate drops off

sharply for women in their late 20s. The unfortunate reality is that even today, roughly 60 percent of Japanese women quit working after giving birth to their first child. This partly affects women's weaker attachment to labor market due to issues discussed in the previous slide, including lower wages and fewer opportunities for career advancement.

So, if you're in a career job, you're not that likely to drop out, you're going to try to stay in your career, but if you're in a job that's part-time and you're only working as -- they use this term "office lady" sometimes in Japan, it's not very nice -- but if you have like a lower level job, you're not likely to come back into the workforce.

So, the type of job that you have before you drop out is quite important, but also what type of support systems you have as a working mother is also important. So, when I showed you the picture of the Sazae-san Family at the beginning, right, if you were living with your mother you'd be able to have your mother help out with the kid, but now the family is living by themselves in Osaka or Tokyo and they have nobody there to help them out, right, they're all by themselves.

So, in this we concentrate on childcare just a little bit.

Now, one reason that women find it tough to balance work and family is that the usage of childcare and early educational services in Japan is still very low by international standards. Meanwhile, while the demand for daycare centers has increased with the rising number of two-earner households, demand has largely been outstripped by supply.

Now, the Koizumi government tried to fix that, right, in the 2000s and they raised childcare by quite a lot. I know, I'm about to stop -- but I think what you read -- we don't have official statistics, but what you read if you read the Nikkei, one report says that, you know, demand outstrips supply by almost a third. So, that's quite a large number.

Now, we suggest that increasing the supply of childcare facilities can help with women dealing with these issues. We have many other suggestions in our paper and I suggest you go read them if you're interested, but I just want to come back to maybe what the key takeaways are of this presentation.

I think, first, raising labor participation seems like an easy win for Japan, right, of Abenomics, that seems like the easiest thing to do of all the things that they have to do. Two, cross-country evidence does not point to any one policy intervention, so doing one thing is not going to solve the problem. And

three, when we specifically look at Japan's problems, we see that there is a need to even the playing field in the labor market and also make it easier to balance work and family.

Now, if you want to see further reading, I suggest our working paper, it's also an FND article and it's been translated into Japanese, the full working paper, by NHK at one point and it's available on our website.

Also, I'd like to note that this week Japan -- I mean the IMF has come out with a staff discussion paper on a broader topic about women in the world, so similar to the professor's book, we start with the same type of title, "Women and Work", and we just add "Economy" at the end instead of, I think yours was "Politics", I'm not quite sure.

But okay, so that's it from my end. Sorry for going over.

(Applause)

RIWA SAKAMOTO: Good afternoon, everyone. As Mireya introduced, I have been working for promoting women empowerment from the standpoint of economic policy. And it's my great pleasure to be here in this prestigious conference.

This is my today's agenda, and first let me introduce a little bit the background of METI having started the efforts to promote working women. In 1960 to 1970, Japan was in the rapid economic growth period when the working age population was increasing. At that time, Japan was still a catch-up economy, so the corporations' strategy was simple, mass production with increasing market share.

But the economic situation was rapidly changed after the bubble burst around 1990. After 2000, the working age population finally started to decline. Then Japan's economy got into serious deflation. Under this situation, the Japanese manufacturing companies have been forced to take a more defensive strategy, cost cutting for maintaining the profit with slowdown in sales.

This is the historical change of Japan's FLP rate. It is generally said that the Japanese standard family model was formed in the era of the rapid economic growth. This model may have been well suited to the business strategy at that time to some extent. Actually, the FLP rate was the lowest in 1975 at the end of the rapid economic growth period.

Since then, it has been increasing as the share of the service

industry increased. Viewing this historical change and the current structural problem, METI announced this vision of economic society titled "Maturity and Diversity: Value Creation Economy" in June last year preparing for the Abenomics coming actually.

In order to slip out of the cost-cutting competition, the vision showed a new model, value creating innovation. However, Japan's traditional employment structure, a rigid and uniform full-time worker model based on lifetime employment has hindered development environment for value creation. Under this model, regular male workers whose spouses are house workers who can be exploitable any time, 24 hours, anywhere, assumed to be standard.

Such male employees work excessively long hours, but recently their productivity per hour has been declining. A new vision proposed creating a society where various human resources, especially women, can participate in value creation and realizing the double income, two kids lifestyle.

The government officially estimated that if potential female workers, about three million people, actually worked, they would earn about $70 billion, which corresponds to 1.5 percent of Japan's GDP. I think this estimate seems rather modest compared to other estimates by, for example, Goldman Sachs and Mr. Steinberg's report because this is based on the assumption that the gender gap of average income is as it is now.

And now I'm going to discuss the issues and government programs. This is the whole picture. There are problems of women labor in Japan, both in quantity and quality. The quantity issue is that as many as 60 percent of women quit jobs at giving birth mainly due to the difficulty of work/life balance, and notorious M-shaped curve problem. The quality issue is that women's potential is not fully utilized and the women's share at the decision-making level is extremely low. The so-called mommy's problem is often pointed out. Both issues, if improved, we can expect the synergy effect between each other, but my personal view is that the efforts to address the quantity issue mainly by Ministry of Welfare, has gone ahead.

On the other hand, the quality issue is behind because it's part of each company's management matter so difficult for the government to reach or control directly.

Now I will explain the major programs to address the quantity issue and then discuss about the quality issue.

This is the Japanese Family Support System. Basically, the legal

requirement is 12 months, or in some case, 18 months childcare leave and a three-year shortening of working hours for all exempt employees. In that sense, the situation is better than here, I think. In large companies where such measures have been fully established, it's said that female regular employees rarely leave their jobs due to having a child.

On the other hand, in many small and medium-sized enterprises, it is still difficult for female employees to actually use the measures.

Let's move on to the problem of childcare waiting lists. Vice-Minister explained about this issue, so here I'm going to focus on the diversification of service providers.

On the right side, this is the graph of the share of each category of operating bodies. Business corporations occupy only about 1 percent, even though they were legally allowed to operate the services 13 years ago, not a few municipalities have been reluctant to certify them actually saying that they are not reliable for continuing the services.

However, last May, Ministry of Welfare again sent official document to request for certifying various bodies, typically business corporations, on equal footing to all municipalities. Then we can see the positive change in most -- even in the most conservative municipalities.

And this is the program menu of the urgent program, and I'm not going to get into details, but I can say that this covers all important issues, so we can expect big progress if it's properly executed.

Okay, I lost one page but I can explain. Now I will discuss the quality issue. About ten years ago, as Mireya mentioned, the Japanese government set the national goal of having no less than 30 percent of leadership positions in all areas of society filled by women by 2020. But now only 11 percent in managerial positions and 1.4 percent in board members.

Regarding this issue, I often hear from HR managers of large Japanese companies such as the problem is excessive use of family support, which makes it difficult to promote women's career development, or under this, the Vice-Minister mentioned, about public servants, under the seniority system it takes time to increase the number of female managers because most Japanese large companies started to employ a reasonable number of women for career track only after 2000. So, it takes time.

And another typical comment is, we are trying to promote women,

but they tend to decline challenging offers. And here is a chart showing a vicious cycle of discouraging the promotion of women, which can be seen in many Japanese companies. Male managers, unconsciously influenced by the traditional idea of the stereotyped gender role, tend to refrain from assigning challenging missions to female workers, then female worker's motivation goes down even before having a child, then when they faced with the work life conflict, they tend to leave jobs or become low performers. Looking at them, male managers believe, again, female workers are not reliable. Some experts point out, this is a mechanism of statistical discrimination.

In order to cut off such a vicious cycle and create opportunity for business people from top to HR managers find diversity as an important source of competitiveness, METI, my Ministry, launched the Diversity Management Selection 100 last year aiming to promote diversity management by collecting best practices and appealing its importance as a business strategy. And last year we picked up 43 enterprises from 160 applicants. This is the list and it includes 22 SMEs. We intentionally picked up them to show that diversity works also for them.

And sharing these best practices with business people, we have been making an -- and also we have been making efforts to inform female students, high school and university, of these selected companies as really good companies for women to develop their careers with good work/life balance so that some labor market pressure will promote efforts toward diversity management.

These are the representatives. The first one, Shiga Matsu, this is (inaudible) prefecture, construction company of SMEs, this is male dominant industry, but the CEO positively recruited and assigned women to a sales section and supervising site, and then they have built a good relationship with customers and improved the customer satisfaction.

And the second case is Nissan Motor Company. Since teaming up with Renault, it has tackled diversity as part of overall business strategy, implementing career development support to systematically encourage development support of female managers by mentoring by executive directors and distributing career advices.

And then they have succeeded in increasing the share of female managers fourfold. And the third case, Toshiba Corporation, electric manufacturer, in globalization as part of organizational reform, it has made progress in reforming the ways of working, which is a big challenge for most Japanese companies, by practical approach, providing a handbook on management know-how and setting the days for leaving on time to increase the

work efficiency.

The last case is Shiseido, the major cosmetic business company, it has gone ahead in work/life balance support and now it's focusing on the promotion and training of female leaders and it has achieved the increase in the number of female leaders on product development.

Through publishing these best practices, we try to make business people really understand the merit of diversity for their own business and I'm actually feeling that their minds are actually changing. And best practices in details, in English, is up on our website. I didn't put the address, www.diversity100SEN.go.jp, you can find.

And METI and the Tokyo Stock Exchange have jointly launched the Nadeshiko brand program last year. Nadeshiko is the Japanese word for pink, beautiful flower, like that, and it was named after Japan women's national football team aiming to back up the efforts of each enterprise by recommending those enterprises excellence in women empowerment as attractive investment targets with potential for long-term growth for investors.

Of all the 1,700 enterprises listed on the Tokyo Stock Exchange first section, METI has picked and publicized 17 enterprises, one for each industry category, last year. Such an approach is effective, especially for Japanese companies, because the ranking by sector can stimulate their competitive consciousness.

And we introduced a pair of local marks, you can find -- for Nadeshiko and Diversity Selection 100 to show that there's a kind of sister project. When you find those marks on their name cards or something, please tell them it's great. That would be very helpful for our program.

And these are the income distribution of married women -- I'm sorry, it's very small -- for each generation. Above 30s, you can see its peak around one million yen. This is because many female part-time workers are just there working hours for their annual income, not to exceed the limit for tax deduction for spouses 1.3 million yen, and exemption for social insurance fee, 1.3 million.

If we want to increase the FLP rate in Japan, it's clear that we should consider reforming such a tax system. However, roughly speaking, two-thirds -- about two-thirds of married women earn less than the limit, which means the majority of the current Japanese families benefit from this tax deduction and also it's regarded as a symbol of social respect for a good wife who stays mainly

at home and helps her husband's success. That's why it has been extremely difficult to raise this issue politically.

But this time, Japan revitalization strategy clearly states that the government will advance the consideration on this issue. I'm expecting Prime Minister Abe's strong political leadership might be able to make a breakthrough about this hardcore issue.

In conclusion, Prime Minister's message that Womenonmics is the core of growth policy has surely inspired social awareness and motivated Japanese companies to promote diversity.

I've heard a lot of positive comments from business people. Basically the Japan revitalization strategy properly shows the necessary proscription and now it's the time for execution.

Lastly, the remaining issues, which I think we should focus on addressing from now on, are these two: first, as Vice-Minister mentioned, work/life balance should be promoted, and I think by increasing the flexibility of working rather than over-generous family support. And second, to motivate women to pursue career development, we need to think about -- to create a good incentive through career education and reviewing the tax system.

Now, the social empiricism in Japan is surely surging. Ms. Muraki's assumption to the Vice-Minister's position was really good news. In order to take this big chance and get a good result, accelerating the process, I would really appreciate your continued support for Japan's womenomics. Thank you very much.

(Applause)

FRANCES ROSENBLUTH: It's a great pleasure to be here today. I'd like to thank Dr. Solis for putting this conference together and it's a special pleasure to be here with such an august group of participants and presenters, Vice Minister, and former Minister Kawaguchi as well.

I am pleased to have this kind of wrap up job, I guess you could say, because the people who just went before me have said an enormous amount and that reduces what I have to say.

I have a very simple message, I think, that has come out from what people have said already and that is, time is money, that is, the time for work brings higher wages, and women, in today's society, and perhaps particularly in

Japan, have less time to provide the workforce because of the expectations that they play a bigger role in the family.

It's a very deep, cultural, social issue and so it's going to take some very deep structural measures to change that.

This is just another way to think about the change in Japan's female labor force participation over time. As with all countries, the real driver of female labor force participation is the service sector. That is the demand for female labor now that Japan has moved from being a primarily agricultural country into one that is driven by the services.

This is a cross-national picture of the relationship between service sector jobs and female labor force participation, or rather the inverse of service sector jobs. Skill specificity refers to jobs that require continual, on-the-job training, which is a feature of manufacturing, in particular.

Service sector jobs tend to have less of that on-the-job training aspect, which is one reason there is higher demand for female labor in this service economy.

We all know about this M-curve, and the good news, when you see the M-curve superimposed by decade for Japan is that the M groove in the middle is getting shallower, which means that there are more women who are staying in the labor force.

But as the others have said before me, this second hump of the M is of a different quality, it's of a poorer quality, it tends to be part-time work, which is great for flexibility, but it really is the second best. It means that the full-time jobs are no longer available and women are settling for part-time work.

To echo what the others have already said before me, there is no magic bullet, there is no single solution. This is a cross-national picture of spending -- government spending -- actually, it's children and formal childcare, but it reflects government spending for public childcare facilities, so, what percentage of children are in childcare facilities.

What this shows, when you see Japan in comparative perspective, is that Japan is punching below its weight, as it were, when it comes to the effectiveness of spending on child care for results of seeing women move into the labor force. Why is that? Why is it that even though the Japanese government has put a lot of effort into expanding the number of childcare facilities, it has fewer women working relative to what this regression line would suggest should

be the case.

So, what else can Japan do to get more out of the efforts that it's already making? Obviously, childcare isn't the only problem facing Japan. So, one way to think about this issue of female labor force participation is that women can supply their labor more easily if there is childcare, but if there isn't a demand for their labor, the childcare isn't going to have as much effect.

So, what is it that is keeping the demand for female labor in Japan lower than it might otherwise be?

I don't know how many of you remember some years ago, I think it was 1989, Mary Brinton, who's a sociologist of Japan, wrote a book called "Women and the Japanese Miracle", and she was full of optimism because she felt that with the growth of the Japanese economy and the demand for labor that wasn't fully met, in part because immigration is more or less cut off by policy, this demand for female labor is really going to finally bring women into the workforce.

Well, several things happened since 1989, the most important of which was an economic slump, and so the demand for labor fell off and that escalator for women into the workforce kind of stopped for a while.

Abenomics is an attempt to reinvigorate the economy and once again get this escalator going for the labor force in general, and hopefully for women in particular, and that's less of a structural thing, perhaps, and more of a business cycle thing.

So, there's some problem with the demand for female labor, part of it is because the economy has slowed, but what else is it?

I'm going to come back to that in a minute because I'd like for you to think about it for a while, somewhere in the back of your head, and this is another slide that shows why childcare spending alone can't solve the problem. This is not an intuitive, self-explanatory slide, so let me just go through it a little bit.

This is a clue from the United States. These are U.S. data on the gender wage gap for women in the bottom decile -- men and women in the bottom decile compared to men and women in the top decile. What that means is, if you were to look at the top wage earners for men and for women, that's this top set of figures, and you were to divide up American states into these five categories of spending on childcare, the U.S. states that spend the most on childcare -- New

York and California -- have a smaller gender wage gap at the bottom, but not at the top.

The states that have the lowest government spending -- this is mostly from the states in the U.S. case -- the lowest subsidy for childcare, have a bigger gender wage gap for the bottom decile, that is the men and women who are earning the least, but there's very little difference at the very top.

What does this tell you? Does anybody have any ideas what this says about the relationship between childcare and the gender wage gap in the United States? Any ideas? Anybody want to hazard a guess? Chad, do you want to hazard a guess?

DR. STEINBERG: No.

DR. ROSENBLUTH: No, can't even put the white male in the audience on the spot. So, the women who have the least income -- the families who have the least income are most dependent on government help, I think that is true. The other thing it's showing is that the gender wage gap is much bigger in the upper reaches of the wage distribution. And so, in the case of the United States, who is at the very top in the American -- well, who's at the very top in income earning in the United States? It's Wall Street, it's finance and Wall Street law, it's the professions at the very top.

What is distinctive about those kinds of jobs compared to the jobs that are at the bottom -- Wal-Mart cashier? Twenty-four/seven, right? The jobs at the top are extremely time-intensive, demanding jobs that require the ability to supply your labor more or less continuously. So, even in the United States, which has a flexible labor market and pretty good female labor force participation and pretty good gender wage gap compared to Japan has a real problem at the top because our society -- not just in Japan, but in the United States too, and in Europe -- is organized around the male breadwinner model where women are expected to take more responsibility for children.

That's just a fundamental fact of life on planet earth in 2013. It's more the case in Japan, but it is, nevertheless, the case anywhere you go in the world. Sweden, which is a model of gender equality, has a very big gender gap in employment in the private sector. Most of the gender equality in Sweden comes from a very big public sector that hires women in large percentages, but the private sector in Sweden is still very much male dominated, and it's the same problem that without solving that problem of the *ikumen* -- was it *ikumen* -- that's going to be our solution, *ikumen* is going to be our solution to this problem.

But we don't know how to create *ikumen*, you know, some *ikumen* are just there, but there are not so many volunteers so far on planet earth.

This, again, is U.S. data and this, I think, again provides clues for the situation in Japan as well. These are just histograms of hours worked, and it shows a big difference. These are men and these are women and what it shows is that men work longer hours.

What happens if you work longer hours? You're more likely to get promoted, you're likely to get paid more. In fact, if you look at the return on wages, you get paid more not just as a function of having more hours at the same wage, if you work longer hours, your wage rate goes up. Firms, particularly firms that want continuous customer care, as in Wall Street banking or Wall Street law, who want these people who are going to be on the phone at any given time of day or night or maybe in the Ministries as well, in Japan, these firms require very, very long hours and that's where the men are.

Okay, so Sakamoto-san mentioned the vicious cycle, and I think that's what we've got. We've got a vicious cycle. So, these are gender attitudes in Japan and if you look at these bar graphs you will see that in 2012, there is a difference between women and men in answering this question: should men work and women stay at home?

About 12 percent of women say, we agree with that, and then another chunk, up to almost 50 percent say, well, we somewhat agree with that. Men are more in agreement with that socially conservative statement.

So, as long as the social views are that strong, it's very hard for somebody to stand up and say, I'm going to be *ikumen* because that *ikumen* is not given the kind of respect or status or authority that the other men may be given.

You can see that employed women, of course, have a view that women should also be working and housewives are more conservative. That's not surprising. But if you look at the changes in attitudes over time in the United States, the changes came from the women who went into the workforce, then their husbands and their families -- and that is over time how these gender stereotypes changed.

But here's a question, and I really don't know the answer, maybe this is just a blip, but gender attitudes have become somewhat more conservative in Japan in 2012 compared to 2007 and I would be very much interested in those who are working on the ground in Japan to understand why that's true.

But here's part of the answer right here, that men aren't doing as much of the housework and as long as women are doing this much more housework, men have a lot to lose from complete equality.

All right, so, thank you very much. I look forward to our conversation.

(Applause)

DR. SOLIS: Thank you very much. I think that was a terrific panel discussion and I think that they laid out a very rich agenda for us to discuss. I don't want to take the time away from the audience so they can ask questions, but I just want to put out two issues that I think draw some contrast in the views that were presented, and you can address them or not as you answer the questions.

One, I thought there was a real interesting contrast regarding how optimistic or pessimistic we should be about the possibility of Japan really addressing the gender gap. And I think I was really struck by Mr. -- Dr. Steinberg's remark that this should be the easy part of Abenomics and when I contrasted that with the view about how deeply these gender prejudices are and the importance of the vicious cycle, I thought that was an interesting contrast regarding how easy it should be for an economic strategy advocated by the government to make a difference or not.

And the other, I think, interesting issue that came across from the presentations was that we're all interested in increasing female participation, but we should not see this as a women's issue alone, that, you know, I think that it has become a recurring theme that we need to equal men, that we need for the men of Japan to come on board and to agree to play these roles in the household and to agree to give women these opportunities.

So, I think that it will be very interesting to discuss as well the necessity to bring on board the men in Japan with this agenda.

So, if you have any comments on that, please feel free to respond, and if not, we'll take questions from the audience.

DR. STEINBERG: I just agree with the comment that was said earlier. I mean, I think of all the structural reforms, that seems like one of the easier ones to implement, especially compared to dealing with the public debt issue and comparing with deflation, I think raising female labor participation rates is one of the best way in increasing growth. And that's why we wrote the paper.

DR. SOLIS: Okay. Any other comments?

DR. ROSENBLUTH: Well, I think it's certainly possible, but I think it's hard, and I think it's hard because it's going to be politically difficult to do what would really work, which is to perhaps give tax benefits to firms that are moving ahead on diversity. I really like the idea of singling them out and sharing best practices, but if firms have to lose money by hiring people who are going to interrupt their careers, they won't do it for a badge of honor. It has to be a real government commitment and has to be some punch, I think, behind it.

DR. STEINBERG: I mean, this is likely not something that's going to be resolved in one or two years. Of course this is like a 20-year program, I think, for probably Japan to catch up to other countries.

DR. SOLIS: Great. So then let me ask the audience if they have questions. If you want to raise your hand and wait for the microphone and identify yourself, we'll hear from you.

QUESTION: Hi, my name is Marco Sanchez, I'm a graduate student at SAIS across the street from here. I'd like to start by expressing my dislike of the term "womenomics". I think it forces an issue of racial discrimination, which is very socio-culturally complex into a rigid patriarchal structure, and it makes it seem like we can address this issue through economic policy and through structural reforms. It makes it seem like, oh, well, if we had more daycare centers, then maybe women would, you know, get off their butts and go help the economy, which is not the case at all.

And I'm surprised that education policy was barely mentioned because I feel like in order to address this issue of how women are seen and perceived in Japan, we need to start with our girls in the classroom and show them that they can do a lot more. So, if you can talk about what role you think education policy should play in this development. Thank you.

DR. SOLIS: Maybe we should take one more question. Yes.

QUESTION: I worked with the women of Japan from 1963 to 1973 and wrote a book on all of this, and I find this whole discussion very disturbing today because it suggests to me that I thought the progress that was being made, even then, is -- the conversation is almost identical to what one would have had in 1970.

I think the decade of the 80s was hard because so many changes, economic downturn developments in Japan, but I think you're looking at -- why

don't we talk about the Japanese men? I think a great deal of what this is all about has got to do with the relationship between the sexes. The conversation is just the same now as it was in 1970. And why is there no change?

One woman with a position in the government like this, yes, but when I knew Ichikawa Fusae and Ogata Sadako-san and people like that, they were women of great vigor, of great intelligence, and they moved right ahead. It seemed to me there was tremendous progress during that period of time, but now what's happened? Why has it slowed down so desperately? It's got to do, obviously, with the attitude of men and maybe the Japanese women need to do more about changing the attitude of the men.

DR. SOLIS: Any responses to the questions posed so far? Yes?

DR. SAKAMOTO: I totally agree with him. Education problem is very important and I skipped that topic, but I would like to emphasize the importance of career education for women and men both, but especially for women because the economic necessity -- informing them the economic necessity for double income in the Japanese economy is really important, but still it's -- I think it's not enough, so their parents tend to tell their daughters, you know, being housewife must be the best choice for a girl. I hear that kind of episode often, but considering if you consider the economic situation, the reality of the Japanese economy, it's very difficult from now on for one person to support the house budget alone.

So, I think it's really important to inform them the real situation.

DR. STEINBERG: I can add a little bit to this. I mean, one of the interesting factoids that we got when we were doing our paper was that -- I mean, if you look at the University of Tokyo entrance examinations, right, which is completely objective, there can't be any discrimination because it's just an exam, only 20 percent of the population is women, right, so this is not discrimination, this is because of self-selection in some sense. And so that basically reinforces this fact that you need good role models.

DR. SAKAMOTO: And also, I would like to add one thing, the major in the university, there is a big gap -- there is a big gender gap. Only 10 percent of women go to the science major, especially mechanical and electronic engineering. The demand is rapidly increasing for the women engineers, but still, parents and teachers discourage women students to major in such fields.

DR. ROSENBLUTH: I guess I would just say very briefly that socialization and education follow opportunity. So, I think if there were more

opportunities for females to have successful careers, parents will start to change what they say to their daughters and the schoolteachers also.

And if you look at the United States, we also have this pipeline problem for females in science. Women drop out for a couple of reasons, one is that the very long years of post-doctoral fellowships hit right during reproductive years, and so they have to decide whether they're going to be putting everything into science or balance family and career.

When they do drop out, it leaves fewer women to then mentor the next generation and it creates the impression on the part of men that women aren't serious, so that creates this implicit bias then that women really aren't suited for science.

It's not true. Women are just as talented at math and science, it's this lack of mentors because the reproductive years and the support around family/career balance is not working for women.

DR. SOLIS: Yes, please wait for the mic.

QUESTION: Katy Oh, nonresident senior fellow at Brookings. And what about the role model? We talk a little bit about leadership and I saw today two outstanding leadership, you and the Minister, but I don't have any statistical data, but ever since the State Department had three consecutive female Secretaries, today more than 65 percent of the foreign career service in the State Department are female.

And I am working in the defense sector, security, which is dominated by males. So, we created Women in International Security, so we have collective voices. So, basically, not just you, but when you become senior level, reach the certain plateau, you try to mentoring. For example, my cases that the Asian-American professionals is number one category and followed by Asian-American men and black minority and Hispanic minority.

I don't see like a person like Sadako Ogata and all these excellent people in leadership is actually systematically, institutionally encouraging Japanese women. So, maybe somehow you have to think about it. You are doing it right now, but in a much more broader sector. My comment.

DR. SOLIS: Thank you very much for that comment, and I should also note that the next session is actually going to be the focus on the role models, because I think that's a fundamental piece of this discussion. Paige?

QUESTION: Thank you for addressing this issue. I have a couple of questions and observations, just briefly, particularly with respect to METI, I'm wondering the extent to which you contact or communicate with other business companies, because it seems as though the very talented women in Japan do find opportunities in foreign companies and multinationals that are -- and so it would be interesting to know whether or not you're finding the same statistics.

So, that's just one question. And the other is an observation about Japan typically not offering second chances that some people referred to, so when we talk about education, there tends to be this tracking system and if you get off track, then your future is more challenging and difficult, and so for women in the United States, if they do choose to step away from the workforce, there might be not only flexibility, but opportunities to come back to their career in a different way or to start a new career. It was already mentioned about entrepreneurship.

So, I guess I'm also just wondering systematically if there's any discussion about trying to change that system for men and women to have or take advantage of second choices or second chances.

And then just finally, with respect to the men, I know that at least a few years ago, the Ministry of Health, Labor, and Welfare suggested that a bell chime at the end of the day in Japanese government offices and announce that it's time for everyone to go home, take care of your families, and the majority of workers were in fact men and they continued to work because of the fear or pressure to be able to produce or to at least demonstrate their support to the work they're doing.

So, there have been policies put in place, and some of them are enforced and some are not, and so I'm wondering if any of you are aware of more recent initiatives to allow men to do what many of them do want to do but find it difficult. Thank you.

DR. SOLIS: And we'll take one more question from Mrs. Assai.

QUESTION: Well, the point raised by the professor Rosenbluth is very valid point, that is supply demand -- excuse me, a demand perspective because I think the emphasis has been placed too much on the supply perspective to increase the flow of women into the labor force by increasing the childcare facilities.

But now unless the demand side is solved so that quality of the work improves, as Ms. Sakamoto, I think the problems cannot be solved in a fundamental sense. And so, the for instance, the lower quality jobs, the women

are likely to leave the workforce because there is not much incentive to stay in the force. So, quality is very important, the issue.

And also, as the professor Rosenbluth mentioned, the long working hours that is such a key determinant to determine the disparity of the income or the promotion, et cetera, so I think what Japan has to deal with is the how to increase office productivity, and Japan is very often seen as a country with a very high productivity, but that mostly in the manufacturing sector.

So, how to improve the office productivity? I think that is a very important question to be addressed, and so that we just depend on the good will of ikumen, but generally, institutionally, I think the women can be in the good environment conducive to the promotion and stay in the labor force for a longer time.

Thank you.

DR. SOLIS: Thank you very much. Very interesting comments. So, I'll ask the panelists if they have any responses to the issues raised so far.

DR. STEINBERG: I can speak to the second chance issue. I think this is more of a general issue and not just for women, but for young as well. For people watching Japan, they know that the non-regular workforce has been growing quite rapidly in the last few decades and now makes up about a third of the workforce.

So, it's not just the women that are having problems with second chances, it's also the young, and of that non-regular workforce, a large proportion is young people, and a large proportion is women.

And you can see this when women drop out of the labor force to have children, when they come back in, only 18 percent get into get jobs again when they're looking, and it's even fewer for high school graduates.

Now one thing that we've been pushing to reduce that is to get more regular jobs out there, right, reduce the number of non-regular jobs, so there's dual labor force in Japan going on and the idea is you get the formal or the regular workforce larger rather than decreasing it over time, and one thing that we've talked about is having more flexible wage contracts where, as you work for the firm for a longer time, you get more protection, but at the start, right, you don't get as much protection as you normally would, right, because when a Japanese person comes out of university, they expect to get this lifetime job, at least in 1980 they did, maybe not now. But, you know, that system no longer exists. But to get these jobs is quite difficult and firms are very reluctant to hire a

lot of people and so if you made these wage contracts a little more flexible you might be able to increase the number of regular workers.

DR. SOLIS: Great, thank you very much. I think we are at the end of our time for the panel, so could you please join me in thanking the presenters today?

(Applause)

MS. SOLIS: So, we're going to take a break. There is refreshments, I believe -- I hope I'm correct, no -- on the side, and we'll be back at 3:30 and we have a really fascinating discussion coming up where you actually will learn from experiences of female leaders in Japan from different fields. Thank you very much.

[Recess]

DR. SOLIS: Okay hi everybody so if I can ask you please to come back to your seats, we're ready to continue with the last portion of our program, a really exciting portion of our program, because we get to share the conversation with female leaders in Japan. So let me tell you a little bit about what is the objective of this round table. And it is precisely to take on, to tackle the question of the leadership gender gap that was already raised in the previous session. And I think what we want to discuss today, is why is it so difficult for women in Japan to achieve positions of authority, positions of leadership, in a way that it becomes an institutional trajectory and others can come behind them. I think we also want to understand, what is the importance of having female role models? What are the consequences, the benefits, of having more women in these positions of authority? And what have been the obstacles for that, and how can we correct them. So I feel truly humbled to be sharing the stage today with this group of remarkable Japanese leaders. I'm going to be very brief in making the introductions, but I feel they have accomplished so much, that I cannot be too brief. There's a lot I want to bring to your attention, even though we actually provide the bios and you can read the full biography there.

But let me start with Mrs. Yoriko Kawaguchi, who has twice served in a Cabinet position. She was the minister of environment between 2000 and 2002 and minister of foreign affairs between 2000 and 2004. She also served as a special advisor to the prime minister on foreign affairs and was later on elected to the House of Councilors, which is the Upper House of the Japanese Parliament, where she chaired the Standing Committee on the Environment. Mrs. Kawaguchi is a former economist at the World Bank. She also has held a position as minister at the Embassy of Japan here in D.C. and has co-chaired the

International Commission on Nuclear Non-Proliferation and Disarmament. She is the recipient of the Wilber Cross Medal, which is a Yale University Award for distinguished public service. Ms. Kawaguchi has a master's from Yale University and a B.A. from University of Tokyo.

Next I would like to introduce Ms. Yukako Uchinaga, who is the founder and Board Chair of J-Win, Japan Women's Innovative Network, which is a non-profit organization that promotes diversity management in corporate business strategy. Until recently, she served as chairman of the board, chief executive officer and president of Berlitz Corporation, and director and executive vice president of Benesse Holdings. It is a remarkable long list of very senior positions. And I have to say that the one thing that blew me away from Uchinaga-san's biography is that she earned a degree in theoretical physics from the University of Tokyo. And after that she joined IBM where she raised the corporate ladder and became the first woman ever appointed to the board of a major computer company in Japan. Ms. Uchinaga has also served on the board of other companies such as SONY and ION and she was also the first non-American woman inducted in the Women in Technology International Hall of Fame. And she is also now a member of the Council for Gender Equality, a Cabinet Office in Japan.

Next I want to introduce Ms. Junko Chano, who is the executive director for programs at the Sasakawa Peace Foundation and president of the Sasakawa Peace Foundation U.S.A., an organization devoted to the U.S. Japan relations. And before joining the Sasakawa Foundation, Ms. Chano worked for the Ford Foundation and the Japan Foundation. Ms. Chano has a master's from the University of Pennsylvania and she did her undergraduate studies at the (inaudible) University.

And I also now want to introduce Ms. Aiko Doden, who is Senior News Commentator at NHK, Japan Broadcasting Corporation, and she anchors there at the day program in English called Asian Voices, that covers a wide range of issues. You could describe it as everything from high security to human security. Ms. Doden is very well known to Japanese audiences because she has anchored leading programs in Japan such as NHK Good Morning Japan. She has been a correspondent in Thailand and is an expert on Myanmar, having traveled to that country as a journalist for over 40 times. And Ms. Doden has a master's from Columbia University and a bachelors' Degree from Sofia University. So you can see why I feel so humbled to be here with all of you.

So this is what we're going to do. First I'm going to ask some general questions and engage the panelists so we have a free flowing conversation, and then we'll open it up to invite you to join into this discussion. So I guess first of

all I would like to hear about your personal experiences if we may, about how you actually broke the glass ceiling. Now that you have achieved these tremendous positions of leadership with so many accomplishments, if you could look back and identify what you think would be the critical crucial ingredients for you to accomplish what we know is certainly not easy in Japan. So maybe we'll go in this direction and from then on there will not be any specific order. So Uchinaga-san?

YUKAKO UCHINAGA: Oh, so the first question you asked me about what is the success factors to make the career in IBM and also in the Berlitz, and so on so on. So, for me, the hardest glass ceiling was the Japanese old boys' network. This is very difficult male -culture, and also especially in Japan, so a man's network is a very strong male -culture and also a very high context communication way. So in that situation, I am not such a kind or a type of person as already introduced. My background was the theoretical physics, and I prefer the low context communication. So then that was a very difficult barrier for me. And also another barrier for me was the no role models in IBM Japan. So these are the two big issues for me. And then, how can I break through these kind of things, is the number 1, the IBM Corporation. IBM Corporation made a very clear historical decision, to promote women, in order to change the company culture. So to be an innovative company, Lou Gerstner decided to implement diversity. So that's a very strong help to me, to break through these kinds of things.

And also, another one is, I have many role models, excuse me, I have many mentors, not only in IBM Japan, but also in worldwide IBM. So mentors always gave me the advice, encouragement, and also the new way of thinking, especially one mentor, he gave me the vision of my career. So until that, I did not realize the opportunity of my careers. But he gave me this kind of great advice and now I was thinking of the opportunity of going up the higher position, higher and higher and higher position. So that was a very big opportunity for me to change my mind.

And third one is the women's network. Because as I said, no role models. And not only mentors, but also worldwide, IBM has many women executives. So then, the many women executives make the networking. And we're sharing the many good practices, and also talking of some difficulties, and encouraging each other. That also gives me a very strong energy to challenge these kinds of obstacles. So that's my list.

DR. SOLIS: Thank you very much. It's very interesting. And Doden-san.

AIKO DODEN: Thank you, well I feel rather intimidated sitting amongst this stellar panel today and I said yes to Mireya-san's offer because you had agreed to wake up so early in the morning to appear on my program so thank you very much for the invitation. I might be fine as a typical salaried man or salaried woman who has stayed with one company throughout one's career. There is really no secret but that one has to stay with one organization to break the glass ceiling in order to bring about change, however small it might be. Former Secretary Clinton had once said that spoke of creating a small crack in the glass ceiling; even making a small crack requires time and work. And I am among the first generation of equal employment law, and for many women in this generation, building a career meant staying in the race, constantly compelled to prove that women were equally competent or even better than our men colleagues. This often meant that women could not afford to have a break for fear of falling behind, because falling behind might set a very bad negative precedent for the younger generation that might want to follow our path. This also meant that are seen as being successful have to be ready to make sort of sacrifices in life, often neglecting the ideal work life balance in life, without choice. And this also meant that the woman who chose a professional career had to excel at everything, virtually everything. And I hate to say this but the women who are successful in the working environment are often labeled as super women, compelled to succeed all the time, while I also hate to say this but I don't think so many super men around in the working environment, but that's the reality I think.

DR. SOLIS: Thank you so much. Kawaguchi-san?

YORIKO KAWAGUCHI: This question of glass ceiling is a very difficult question to answer because I personally do not remember hitting any glass ceiling. Mrs. Muraki, the person who spoke today, she became Vice Minister and second one in our bureaucracy's history. I was also –- I started out as a bureaucrat. I did not become Vice Minister. Was it because of glass ceiling? My answer to that is no. The personnel of whoever decided that I cannot be Vice Minister, I think made a fair judgment. There were many competitors and I just didn't make it. And I don't think I was even on the short list. Very, very, very fair to myself, that's the sense I get. And instead, actually I was helped by the Japanese system, the seniority system and lifetime employment system based up to a certain point, that is until I left Ministry. In the Japanese bureaucracy, the entrance is by examination. So if you pass that examination, then you become a bureaucrat. And no one judges you whether you can be a bureaucrat on the basis of whether you are a woman or a man. And once you enter, then you are promoted, because there is a seniority system and the years that you work in the Ministry counts. So as the years went by, with or without any specific talent or ability, you get up to that position. And I feel that I was helped by that system and so I maybe, I just don't think I encountered any glass ceiling, nor blue ceiling.

I just went on as the system made it possible. So that's my answer to that.

DR. SOLIS: Thank you very much. It's very interesting. Chano-san?

JUNKO CHANO: Thank you very much and I'd like to echo what Mireya said that I also feel intimidated by surrounded by such splendid women. And also the difference between me and also the rest of the people is that they have a very big corporations or organizations or government organizations in their back, and I come from the philanthropic world, and my foundation, although I have two foundations to speak about, but both of these foundations are relatively small, although the Sasakawa Peace Foundation is one of the biggest in terms of the budget size and also in terms of the number of employees. But still, it's far smaller than these organizations that those splendid women are working or have worked for. Having said that, my short answer to your question is -- three things. One is to develop expertise in your field and stay committed to your mission. And second, be optimistic, and third, stand up and fight if it is necessary. So these are my short answers, and I'm saying this, and also as I told you, my own foundation is relatively small and that means that we can have some flexible arrangements for employees to work hours on something. So in that sense in my case, I might say that it is relatively easier for me to break, if there is a ceiling, to break something. And I don't think, I'm not sure if this was a ceiling, but only once I faced some difficulty that I did have to overcome. And that was in 2003, when I came back from the United States to Japan, after having worked at Ford Foundation's New York office for seven years, and I was really thought responsible, and I was a little naïve at that time I think, that I really wanted to share with my colleagues at the Sasakawa Peace Foundation what I had learned at the Ford Foundation. All of you know that it was one of the largest and also most active institutions, philanthropic institutions, in the world. So I really wanted to share and I ended up suggesting the changes, but my bosses were not very comfortable with these changes that I was suggesting. And I think it is not because I was a woman, but maybe their resistance could have been increased by the fact that I was a woman and also challenging the system that is all male dominated. So in that sense, sort of maybe not the ceiling, but I faced a kind of plastic wall, just in front of me. So it was really a tough time for me and sometimes I didn't know what to do. But I really still felt committed to share my knowledge and experiences. And so sometimes I was vocal at these changes that could be necessary at the foundation. So finally there was an incoming new Chairman and I took my case to him, so I helped him reorganization the foundation. So I came back to Japan in 2003 and in 2008 I was named the Executive Director. So it is very small, my experience, and I'm not sure it is relevant to your experience in your larger organizations.

DR. SOLIS: Thank you so much, really fascinating. So let me ask this question. How can we increase the visibility of female leaders? And the reason I ask is that there is a very frequent remark that comes up, and I guess there's a lot of truth to that, that some people go to Japan and they are going to these very high level meetings and they frequently remark on the fact that there are very few or there's no women in the room. Then they come and ask where are the female leaders of Japan. And I think one of the reasons I wanted to have this event here in D.C., was to showcase all of you and to make it very clear that Japan has these very talented, dynamic, creative women and that we should pay attention to what they're doing. And what are your thoughts about how we extend the spotlight and bring it into Japan as well. And I think part of that goes to the question of you put the spotlight on female leaders but you also make sure that these leaders can leave a legacy by mentoring others, so it's the visibility, it is the mentoring, and I think this very much relates to what Ms. Uchinaga was saying before, the networking. So how do we make it so it's not just the old boys' network? How do we create this opportunity to rise together so that it's not just one token woman who is in the meeting? And I think that happens to all of us in the United States as well. Frequently I am the only woman in the room, and I have a very strong desire to see that change. So any thoughts on this issue?

DR. UCHINAGA: May I? I think this is very important actions in order to increase the woman's leaders in Japan but actually this was very difficult. And then after I retired from IBM, getting help from IBM Headquarters, I started a women's organization, which we called the Japan Women's Innovative Network, J-WIN, we call it J-WIN. J-WIN's objective is to create a women's network of the Japanese companies. So the members of this organization are the Japanese companies. And the companies select the future women leaders and each company selects two women, and going up to about 260 women from the 100 Japanese companies, they are now meeting together, and also now they are making some proposals and they are making some actions. This kind of activity is continuing for two years. And in running these types of activities they are understanding each other. And all of the 100 Japanese companies are coming from many different industries. So they are getting to know each other, they stimulate activity and so on and so on. So J-WIN has the purpose to educate the women leaders to be the next leaders of the Japanese companies. And also after two years, these women graduate. And then new candidates are also selected by the company, so then we continue these kind of activities full time, and then we graduate women and actual networked women are going up to 1000. So 1000 young women leaders are now making very strong networking, so this is I think, a very small activity but this kind of activity is now helping the women to change their mind, and also they have opportunity to use this kind of networking for their own business. So one example is, when they join this network, they're mentally prepared to be top leaders. We ask them do you want to be a leader in your

company. And less than forty percent of women said yes. But after two years, ninety six percent of the women say yes. So I think in just only two years, we can change their mentality and also we can change their passions, and also their confidence. I think this is a very important activity. Ideally we want to continue these types of things, as my deep bank to the young women, as I got from IBM.

DR. DODEN: I also think that encouraging young women and tell them what to do under circumstances is also very important. About twenty years ago, eight of us got together in Japan, were you part of it? Eight years ago, Leadership 111. Eight of us got together; we initiated a group called Leadership 111. The idea was that we get one hundred eleven members, potential female leaders, and then we, that group still goes on and we invite someone to speak to us and then we discuss, sometimes we have fun, and we get very close to each other. We can ask questions to each other, and that was one of the forces that we were making and we still are making in Japan, so that people feel more confident, develop the ability to make right decisions, et cetera.

Whatever, there are many elements that a leader must have, in female or male. And you have to foster women who can make right judgments under a variety of circumstances. And also, you should be able to make your forces to do what you would like them to do. I remember this feeling that I don't mind working late hours for that person. I would do whatever that person tells me because I like him, I respect him, and I think he's a good leader. To make women like that, so that there would be good bosses, male or female, is our goal.

DR. DODEN: If I could quickly follow up on some of the things that we have already said. I feel it crucial that there's got to be an institutional change that has got to be brought about. Some of the earlier points that were brought in the earlier session too, having a star figure parachuting into an organization or having a special promotion is one fine thing, but it just wouldn't do. I think it would be more crucial to have a critical mass of competent women in the labor force who would propel the change that might transform the institution as well as the society perhaps.

DR. UCHINAGA: Yes, we have to create a pipeline, so not just only one or two star managers, but we have to create a pipeline. And the pipeline is also helping each other and mentoring each other, that kind of thing is very important.

DR. DODEN: Yes, each and every one of us cannot afford to be super women all the time.

DR. CHANO: So it's interesting that all of you are talking about

extensive network and mentoring beyond cooperation and beyond the field and in my case, in my foundation, we have female workers outnumber men by 2 to 1 ratio. And it is quite natural for them to see me as an example of how to develop your carrier and also to keep your work and family. So in that case, I feel myself to be, to have to be a role model. And also the time I spend with them inherently has a kind of mentoring element. And I really find it a vital part of my job. So this is something that I really try to contribute to my work force, in my foundation.

DR. DODEN: So if I face some kind of problem in the future, the person to come to might be Chano-san. You see I totally agree with you because I see the point in what you say about building a network. I also feel that building a coalition, benign coalition within the organization is crucial, a coalition of likeminded men and women who could feel colleagues or mentors, who would help transform the organizational cultures in society in general.

DR. CHANO: Also talking about networking, when I saw my female staff members, many working mothers, they are pressed for time, and they don't necessarily have time to go out and networking. So what I intentionally do, when they have some projects going on, and if I know some person or some organizations which is relevant to their work, I will go out and tell them, well why don't you go and talk to so and so. So by doing so I invite them to naturally develop and extend their network, and try to get out and know their network outside, so that's what I am doing.

DR. DODEN: Networking is a key word I think, because if you try to launch a revolution, you could antagonize so many within your organization, being considered as a sort of a threat, so launching, establishing a benign coalition would be much more productive.

DR. SOLIS: This brings me actually to the next question I want to ask all of you, because I think we have been discussing what can women or men do to be agents of change. And I want to now switch a little bit and talk about institutional resistance, right? And I think what I would like to ask all of you is, how do you think we can persuade different organizations that it's to their own benefit to promote women? That they're not doing it out of a PR opportunity, they're not doing it just to look good, and so that their image, that they're doing so, is actually going to result in improvement to their performance. I think I read somewhere that corporations that hire more women have higher levels of profitability. And I haven't seen that laid out. Why is that the case? Why haven't more women brought those benefits to more corporations or more organizations? How do you think we could make this argument?

DR. UCHINAGA: I think that's the most important point, in order to promote diversity in the company. The company self wants to improve the financial numbers, and they would like to compete, they would like to be the number 1 position worldwide, so in order to do this, they like to use the capable resources more and more. But in the case of Japan, most of their resources are based on the male culture environment so in the male culture environment, it's very tough to change their mind set, so they are now just using the very good successful history, and they just pick up the past good example. But right now because of the internet and IT improvement, I think the world is now changing so quickly. So in order to be number 1 worldwide from the business point of view, the company has to innovate; company has to change their business model day and night. So in order to do this, I think a male culture environment; it's very tough to find out to find out a new business model. That is why many companies are seriously thinking to utilize diversified resources. So especially in Japan, maybe ten years ago the male culture environment was a very strong weapon. But now the world is changing, and I think the women are just the first step, and to get the different mindset and background and careers, these kinds of minds are breaking through the male culture and creating a very innovative mindset. And once they can utilize women and they can utilize younger people and so on and so on, I think the women are the first step. It's not the final goal. So then, I think Japan, especially Japan, will create a new way for Japanese business society and also the process. So I think that's a very important strategic initiative.

DR. SOLIS: Very very interesting.

DR. KAWAGUCHI: I quite agree with Uchinaga-san. About twenty or thirty years ago, I was talking to the Switzerland Ambassador to Japan and he said, I asked the question, Switzerland has too much many resources and yet Switzerland is so rich, very high per capita income. I asked why, and he said progress comes from outside, and he told me how Switzerland was able to get foreign people, foreigners from Germany, from many other places, and it just hit me, dawned on me, that in Japan, progress comes from women, so I have been saying that progress comes from women ever since. And as Uchinaga-san said, our society as a whole, whether that's gender issue or not, is facing a huge need to change. Unless we can reform Japan, unless we can change ourselves, our society now, we are not going to ride on the waves of globalization, and therefore changing, to be able to change, to be able to be more flexible as a society as a whole, is what Japan needs right now. And it's women, as Uchinaga-san put it, is one part of the huge efforts that we have to make.

DR. SOLIS: Very interesting.

DR. CHANO: I agree that women are just a part of the change,

and I think we need more changes from overseas and from resources from overseas.

DR. DODEN: And it seems the women are actually propelling change. I took note of some of the products produced by Ms. Sakamoto in her presentation, like some of these genius hair dryers that do not dehydrate your hair, keeps the moisture and retains the luster, that was devised by women. Washing machines that use less electricity and less detergent, that was also devised by women, ideas that come from women. And the Developmental Bank of Japan established the women's Entrepreneurial Business Competition after last year, the March 11th earthquake and tsunami, after the realization that it is a time that Japan has to make the most of Japan's talent in women and their ideas. So I think the realization is slowly, but there.

DR. SOLIS: Very interesting. So I have one more question for the panelists and then I'll open up for the floor, and this is to do with the question of affirmative action. And you know some countries have government mandated quotas, and they say this is the percentage of women that are represented in the board, and companies have to move along those lines. I know that in Japan you don't have those mandatory programs, but I wonder what is your general thought about the value of affirmative action programs that could work in the Japanese context? And I think that it's an excellent point that you all raised that women is just the first step in making for a more diverse plural workplace and society in Japan. But then this raises the question of, what should be the target group to begin with? Should it be women, or should it just be young people in general? So how should we reconcile these needs, giving perhaps priority to women, to give them special treatment, but then also looking to the needs of other groups who may also need that kind of targeting?

DR. KAWAGUCHI: Affirmative action has been discussed and it has been something which has not gained any consent in our society. I think we need, it relates to the question of what is fair. Who do I give the advantage when there are many disadvantaged people, by age, by gender, by whatever? So that is something that we need to continue to discuss. And another element we have to think about is that there are types of affirmative actions. I was a Diet member until recently, and we were talking about my party members, my female members, whether we should work to promote affirmative action or not. The conclusion we had at that point, which was quite recent, was for some people, it's an absolute no. You have to be elected by your own merit, and if people think you are there in the Diet because you are female, then you erode your power base, so that was one type of argument. Then we were looking at Korea's case, in which proportional representation. The number of candidates has to be equal between men and women. On that basis you have an election, you choose people.

Then that concern of eroding your power base becomes less because you are given the opportunity, equal opportunity, but then you are selected because you are good. So there are types of affirmative actions, and we are still in need of, I think, exploring what is good for Japan. And we certainly do need consensus of this society.

DR. CHANO: It may not be about affirmative action, but I was quite impressed with what Sakamoto-san talked about, coming up with 100 corporations and coming up with good practices. I think it's a very good way to do that. And I'd like to see somewhat more grass roots active initiatives that may go out and study major corporations and organizations about their family friendliness or female friendliness or whatever, just using some of the common indicators, such as the ratio of male and female on the board of directors, or what percentage of women are on the managerial positions, and also what kind of benefits they're offering working parents and so and so, and if they come up with a kind of study and then regularly publicize that kind of results, that might be an interesting impact on the society, and maybe it is helpful for women to look for more corporations that look for greater opportunities for women and also, it might influence on the image of the companies. And it might also influence on making a participant decision and something like that. So I think affirmative action is a good thing to pursue. And another thing, my parents were from the philanthropic world, I'd like to see a kind of grass roots effort and try to educate the public and also, in the same sense, the corporations, about what they could be doing for that kind of thing.

DR. DODEN: One small additional comment perhaps. In a discussion like this, what I would like to keep in mind is that of course it is about womenomics, and economy and Abenomics, but women's participation, as many of you have said, is not just about women's issues, it's about men's issues as well. And it's not only an economy issue. I'd like to think it is a fundamental rights issue as well. Women's participation is not simply just about boosting the economy. It's about ensuring the women do have the right to education and work, and that is how Japan prospered after the Second World War. The thought aspect of Japan that is admired by many of the developing countries in Asia as well, and I am aware that Mr. Prime Minister is going to be giving a speech at the United Nations General Assembly with a slight focus on women as well. So if Japan wants to articulate its foreign policy on values like human security, I feel like it has to impress on the international community that it does care about women within Japan and beyond.

DR. SOLIS: Thank you very much. Uchinaga-san, you had a comment?

DR. UCHINAGA: Well I completely agree with Chano-san. Citizens' point. I'm so sorry. I still believe that diversity is a very very strong strategy initiative for business. So then from that point, I think the many companies have to make a commitment in front of the shareholders. What is the kind of number the company would like to obtain by when. So this kind of companies commitment like revenue and profit and also diversity, because this is a very important business initiative, in order to survive in this kind of globalized environment. So in that situation, I think company has to make it clear, what kind of percentage the company will be, what kind of the women's percentage the company would like to make, what kind of women's management percentage the company would like to make, so these kinds of numbers they need to declare in front of the shareholders. And they have to report the progress like revenue and profits and so on and so on. And then once they do these types of things, some type of affirmative action within the company is very important, because the minority got the very big handicap because of this kind of long history. So I think some type of affirmative action is very important. But this type of affirmative action should be applied to the opportunity, not the final decisions. So then, education and the career opportunity, these types of things should be applied to women, and that will be the very important first step. So that is the same thing that Chano-san already mentioned.

DR. SOLIS: Thank you very much. And now I would like to ask the audience to join the conversation and please if you want to ask a question, make a comment, raise your hand and identify yourself when the mike reaches you.

QUESTION: Hello. My name is Erin Weeks. Like my fellow colleague who was sitting here earlier, I am also from SAIS across the street. And I taught in Japan for three years. And my comment deals with the educational issue. You've discussed corporation outreach and connecting women leaders within corporations, but what about connecting women in educational institutions, particularly in the middle school, to the younger educational institutions, middle schools, high schools, and some of those efforts. Is there anything going on?

DR. KAWAGUCHI: May I? So from the education point of view, in Japan, the men and women are treated equally, completely. But sometimes the girls, the young women, they don't have enough future view about their careers. That is a very big failure for the women to growing up in their careers. So then, in enough places we are now inviting the high school student, university student, to talk with the women who are doing the very high careers in business. So that kind of communication we started. I think that education itself is fairly equal, so we have to ensure the opportunity to them, about opportunity of the women's

careers. I think that is the most important point.

DR. SOLIS: Thank you. Other questions? Nobody else? And then over there. Okay, then maybe this gentleman in the light blue shirt and glasses. Thank you.

QUESTION: Hi, I'm Dave, I'm retired, but I went to GW and participated in their Ph.D. program, and at GW they had a very nice program to bring college juniors, women in, it's called Women in Mathematics. And they brought them in and they had women teach them a little bit about research. And a lot of them went on to graduate school, because I think they got experience working with women mathematicians, very high level, and they sort of came to gain possession sort of, of being a mathematician, being a grad student. And so I think that was very successful and just like you said.

DR. SOLIS: Thank you very much for that comment. And I think someone next to you wanted to ask a question, this lady there, thank you.

QUESTION: I'm also a student at SAIS and my question was, so I think building on what the lady sitting over there was saying, it's building on demand side. I think that there's still the attitude that women still just want to get married to typically a Wall Street guy and just become a housewife, it's something like a dream. Do you think that social attitude is decreasing, because at my age, some of my friends say, oh, I just want to get married and become a housewife? So do you think that the social aspect is recently decreasing?

DR. SOLIS: Thank you, interesting question. Yes, Chano-san?

DR. CHANO: Well I think in reality, I think the average salary of the business white collar workers has been decreasing in Japan. I think it was peaked somewhere in 1987 or something if my memory is correct, so in that sense, your husband, if you get married, maybe your husband's salary is not increasing a lot, so social services, you cannot depend on social services because of declining population, so in reality, it's better for you to have double income family. I think this is, if you really think seriously, this is the truth in Japan. I'm not sure about the Wall Street guys, because there was a discussion about the difference in the salary, so maybe if you get married with the Wall Street nice guy, things might be different, but –

DR. DODEN: There's limited supply I think.

DR. CHANO: That's right.

DR. DODEN: But I do understand the mentality, because I think the younger generation has seen the parents' generation suffer from the bubble economy and things like that. So they haven't seen Japanese economy grow. So the conclusion is that they'll be better off getting married to a wealthy man or some views like that. And she's nodding. But at the same time, as Chano-san said, with the shrinking Japanese population, the women, sooner or later, would no choice but to have to be in the labor force actively, and I think there is imperative for the private sectors to secure high quality women labor force if they want to remain competitive in the market.

DR. SOLIS: Thank you very much. Page, you had a question?

QUESTION: Thank you. And it follows on to that last comment a bit, it was referenced earlier to developing global talent and I heard about Uchinaga-san's suggestion about a strategy to promote diversity and there are a number of us in the United States and Japan that are concerned about the declining numbers of Japanese, youth in particular, who are doing study abroad in the United States. And part of that third arrow that Prime Minister Abe has referenced is to try to develop global talent. And I can't help but observe the fact that the four of you in your distinguished careers have overseas experience, proficiency in at least one foreign language and probably a number of others, so I wonder to what extend you think an overseas experience has been one of the things that helped you in your personal and professional success and whether or not you can help us think about ways to encourage more Japanese youth. Because frankly, for those who do study abroad, overseas either Americans or Japanese, for the majority are in fact women. And so I see an opportunity here.

DR. SOLIS: Thank you very much. Any responses on that question?

DR. UCHINAGA: Thank you very much. I think this is the very important areas we have to think about. And especially globalization is now asking us to be global leaders more and more. And diversity is a very important capability which is required to be a global leader. So then, at least in my experience, I don't have any experience to stay outside of Japan, but from my business point of view, I'm traveling a lot, and almost one third of the year, I'm now visiting many countries. So because of my experiences, I have many experiences to be a global worker. So this is very important. And in Japan the kind of needs are now recognized and then increased. You are right. About five years ago, overseas students from Japan were decreasing significantly. But recent one and two years, from year to year point of view, about thirty percent, forty percent are decreasing. So many young people now recognize the importance to go out from Japan and to get the experience of the global business situation. So I

think the situation now in Japan is changing so quickly. And also in the case of the women, and if the women wants to grow up their careers to get the high position, they have to show some confidence. And I think this is a great opportunity for women, for going out for the foreign countries to have some global business experience and come back to Japan. So that is my very convincing story for the Japanese company to give her the very high positions. So I think that globalization, diversity, is a very good, how do you say, movement for women for growing up their careers.

DR. SOLIS: Very interesting.

DR. KAWAGUCHI: I have been talking about international competitiveness of an individual, and I think it is very important that we develop; we foster young people who are competitive globally. I was in America for one year when I was a high school student, and ever since I've been back and forth. But one thing I learned, perhaps the greatest thing I learned by being here in this country, is that there are many other ways of doing things, other than what we do in Japan. And so that insight gave me a variety, that diversity in thinking, or a way of doing things. And Japan will be globalized more. Already there are some companies who conduct their board meetings in English, so if you want to be promoted to the board level, you have to be able to do business in English. That's one incentive. You may be just producing a small part of something in Japan. You think you may be without English all through your life. Then all of a sudden, you are assigned to a position on a board. Then you have to struggle with English or whatever. So life as Chano-san was saying, life is changing in Japan a great deal. And with that awareness that you have to be more global, each in individual ways. And my experience as a high school student here, a long long time ago, taught me that.

DR. SOLIS: Thank you. Thank you so much. This has been a remarkable conversation. If you could please join me in thanking the panelists for joining us today. Thank you, thank you so much.