



Can Women Save Japan?

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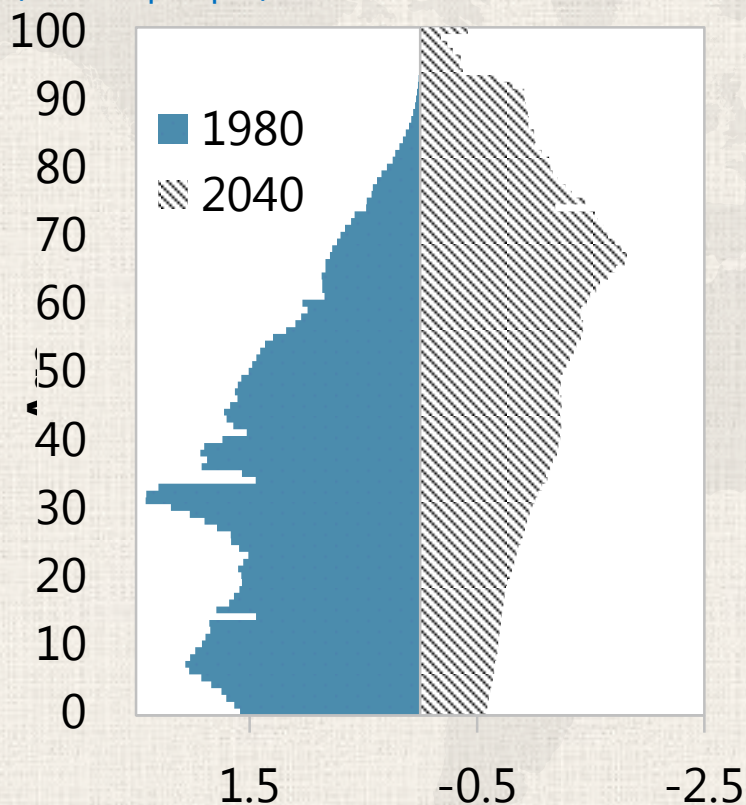
Brooking's Event: From
Abenomics to Womenomics
Chad Steinberg, IMF
Washington, D.C. – September 25, 2013



Japan's demographic change is unprecedented

Demographic Change (1980-2040)

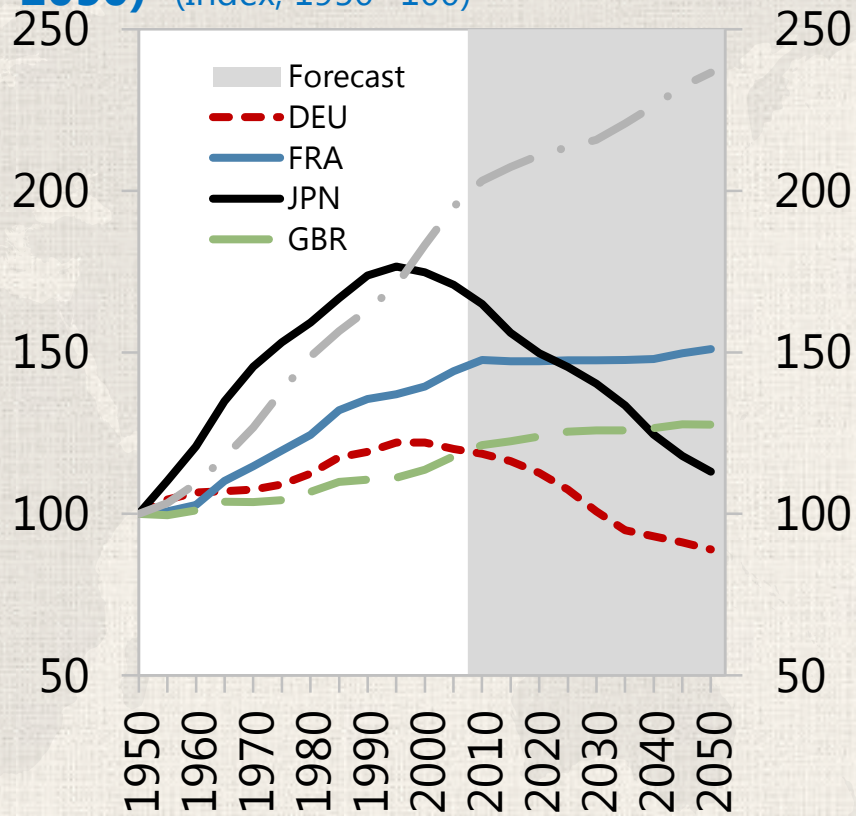
(Million people)



Source: MIC and IPSS

Working-age Population (1950-2050)

(Index, 1950=100)



Source: UN



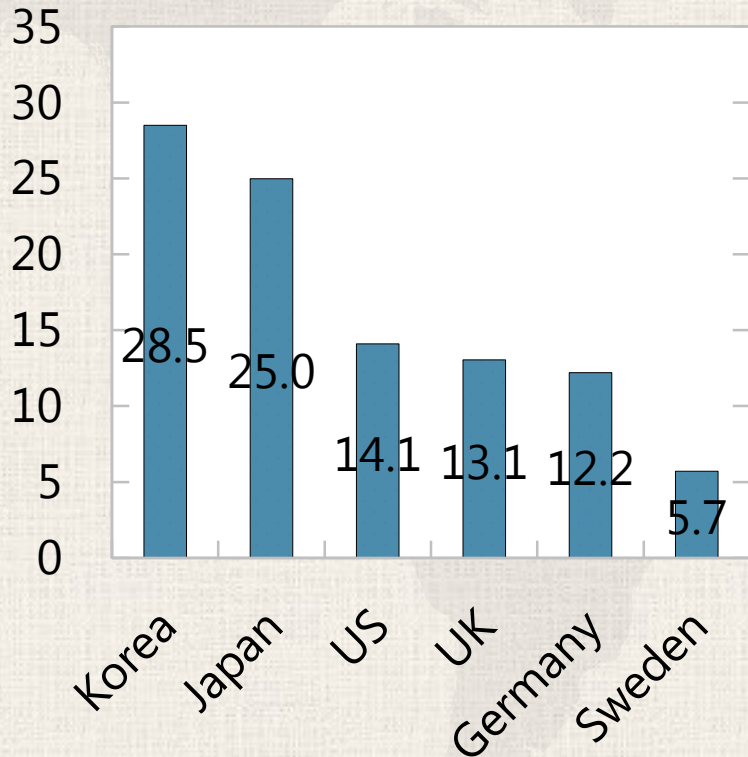
...but Japan has a highly-educated secret weapon: an army of housewives





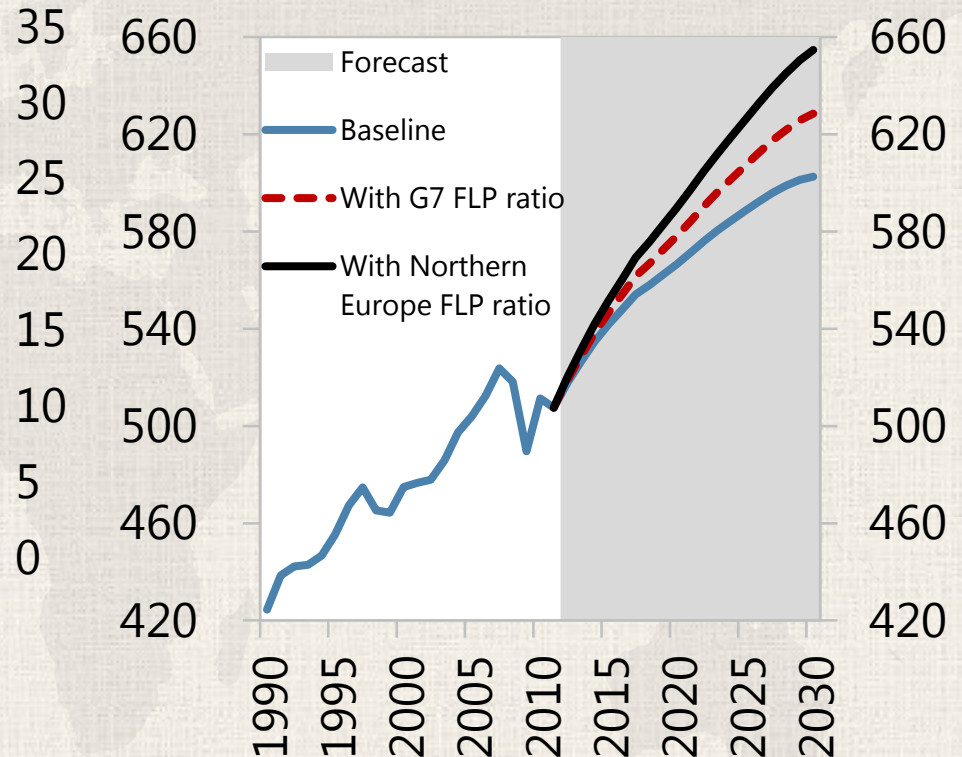
Raising female labor participation (FLP) could increase GDP by as much as 8 percent

Difference by Gender in Prime-age Labor Participation (In % pts., 2009)



Source: OECD, and IMF staff estimates

Real GDP: Policy Scenario with Higher FLP (In trillion yen)

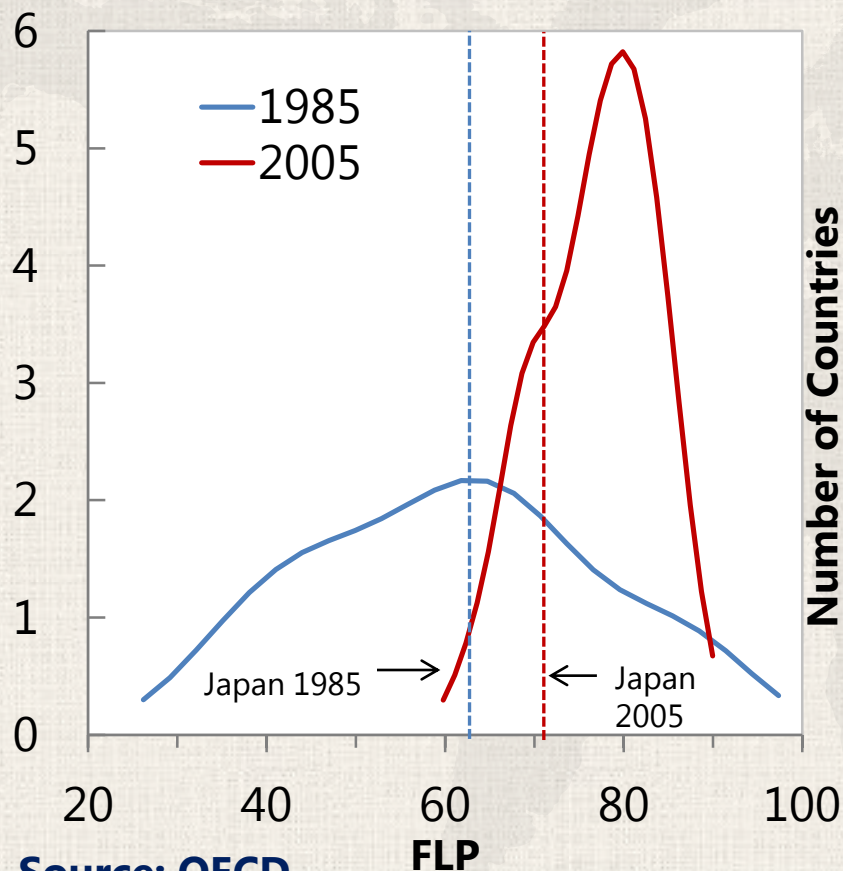


Source: WEO and IMF staff estimates.



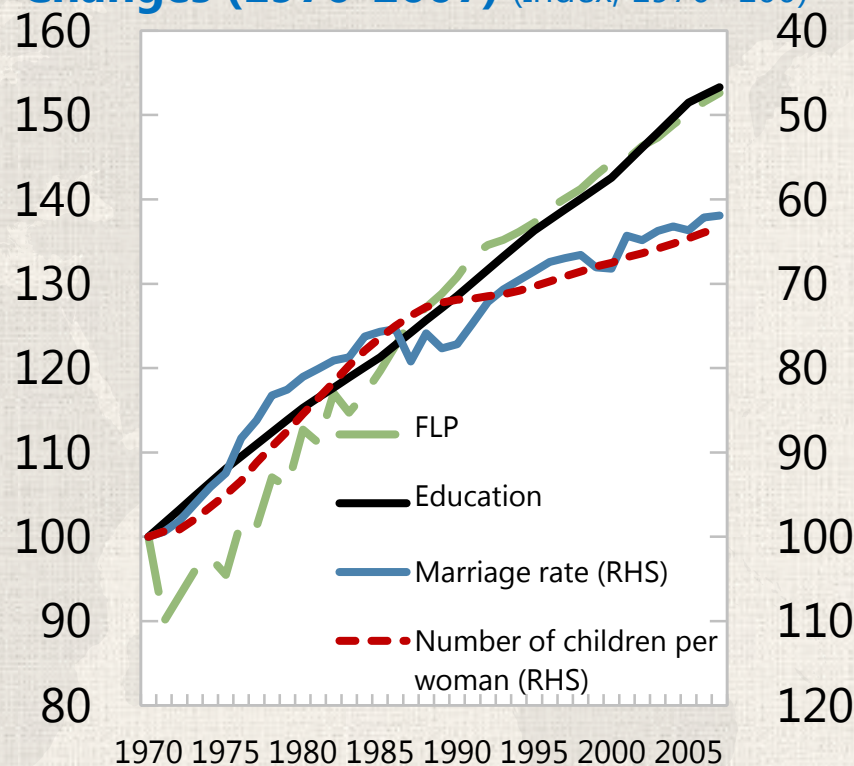
Increases in FLP are associated with a large demographic shift

FLP Distribution Across 22 Countries



Source: OECD

Demographic Variables and FLP Changes (1970-2007) (Index, 1970=100)



Source: OECD, UN, and IMF staff estimates

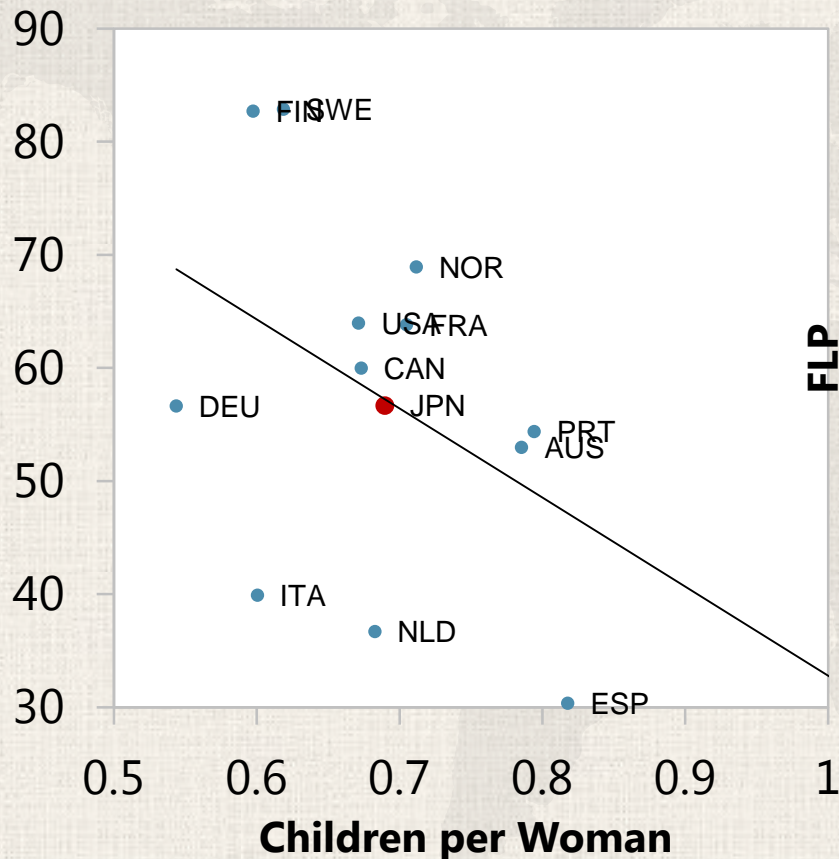
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CROSS-COUNTRY EVIDENCE



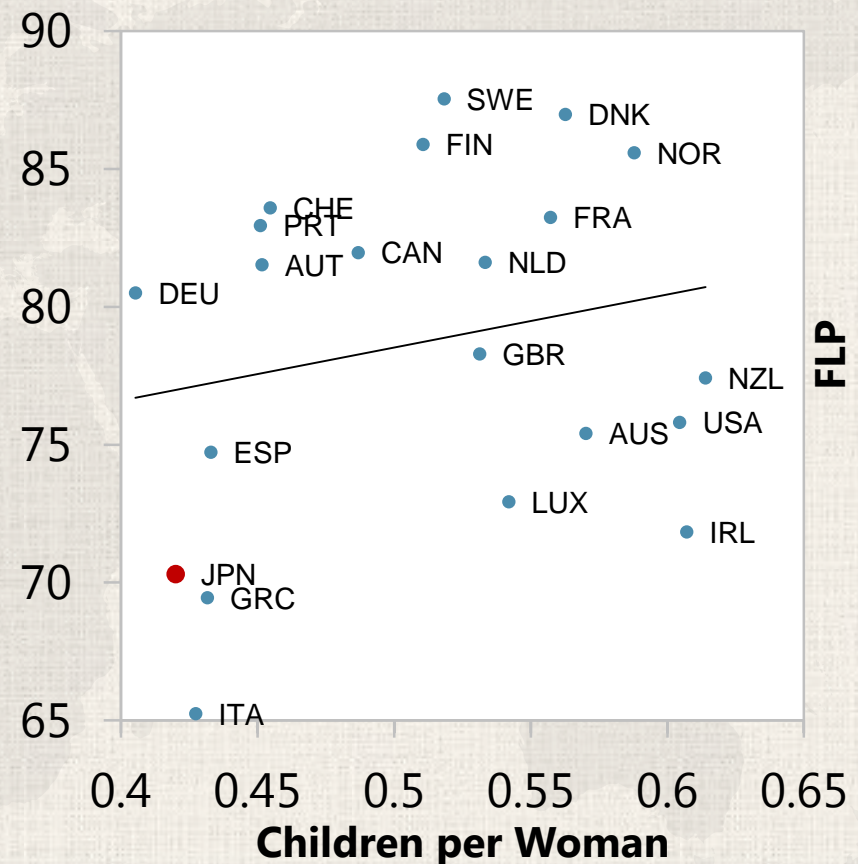
...with policies becoming more important as demographics converge

FLP vs. Children per Woman (1980)



Source: OECD

FLP vs. Children per Woman (2008)



Source: OECD

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CROSS-COUNTRY EVIDENCE



...but there are no policy silver bullets

Impact of 1 S.D.

Wage gap	-0.27
Log (Family allowance)	0.14
Log (Leave)	0.36
Log (Child benefits)	-0.13
Part-time incidence	-0.19
Log (Childcare per child)	-0.03
Log (Tax wedge)	-0.73

Source: Fund staff calculations



Effects are relatively small



Wage gaps and childcare are good predictors of cross-country differences



Women have a strong preference for part-time work



Leave policies must be generous to be effective

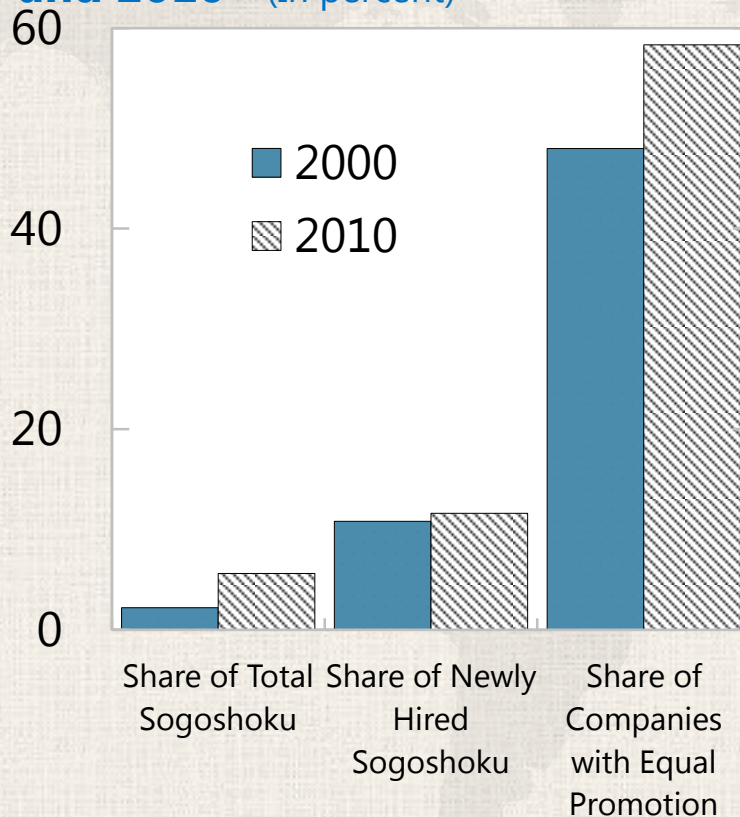


Tax incentive and cash payments work best at lower incomes



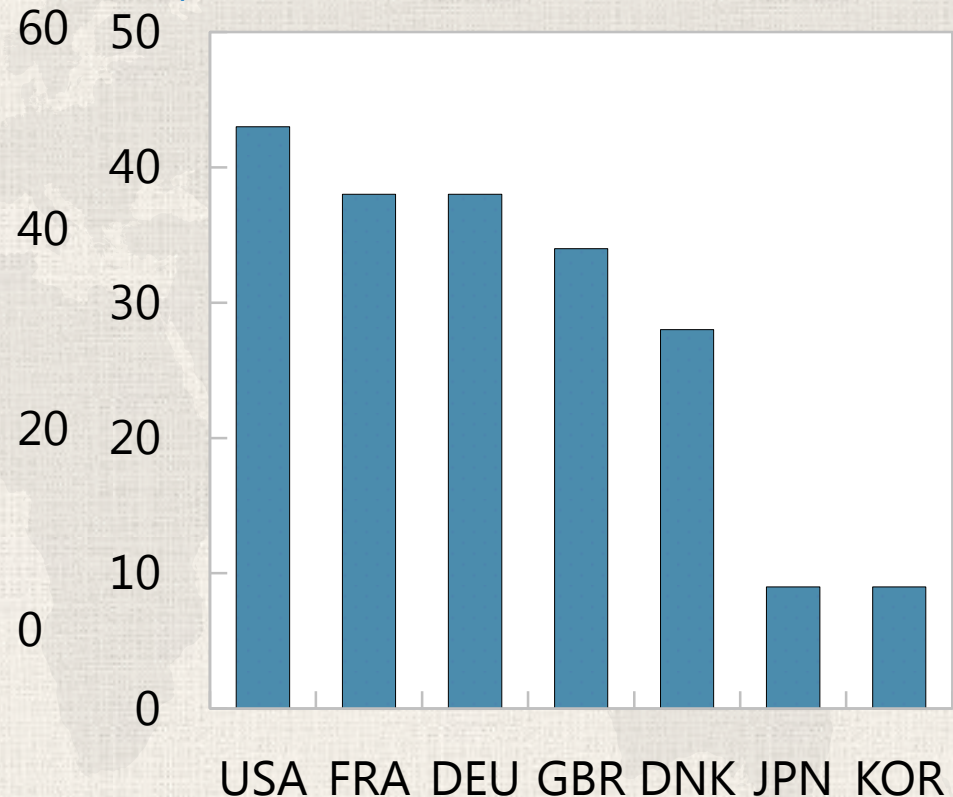
Hurdle 1: Employment and Promotion Policies

Female Sogoshoku Workers in 2000 and 2010 (In percent)



Source: MHLW and IMF staff estimates

Female Managers (2009) (As percent of total)

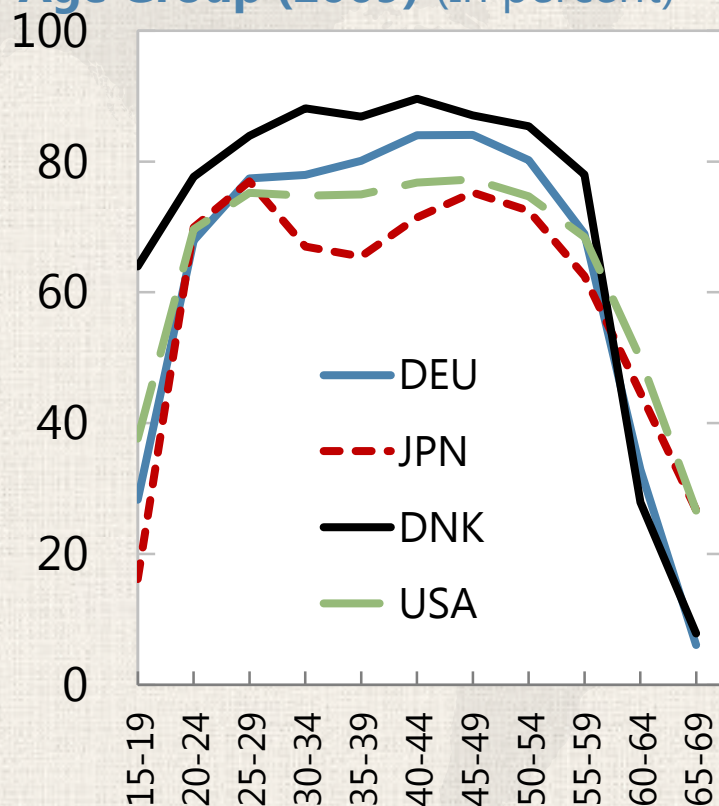


Source: UNDP



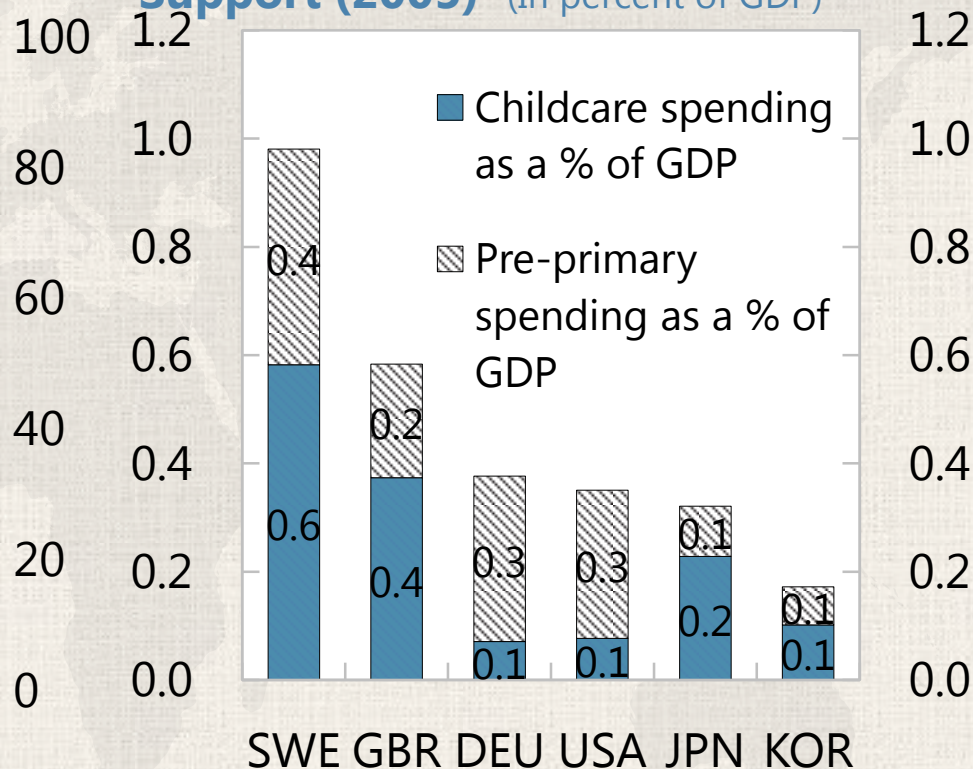
Hurdle 2: Balancing Family Responsibilities with Work

Female Labor Participation Rate by Age Group (2009) (In percent)



Source: OECD

Public Expenditure on Child Support (2005) (In percent of GDP)



Source: OECD

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JAPAN-SPECIFIC HURDLES



Further reading



“Can Women Save Japan?” IMF Working Paper No. 12/248



“Women, Work, and the Economy: Macroeconomic Gains from Gender Equity,” IMF Staff Discussion Note No. 13/10