

Promoting Working Women in Japan

~The Central Core of
the Growth Strategy ~

Ministry of Economy, Trade and Industry
Economic and Social Policy Office

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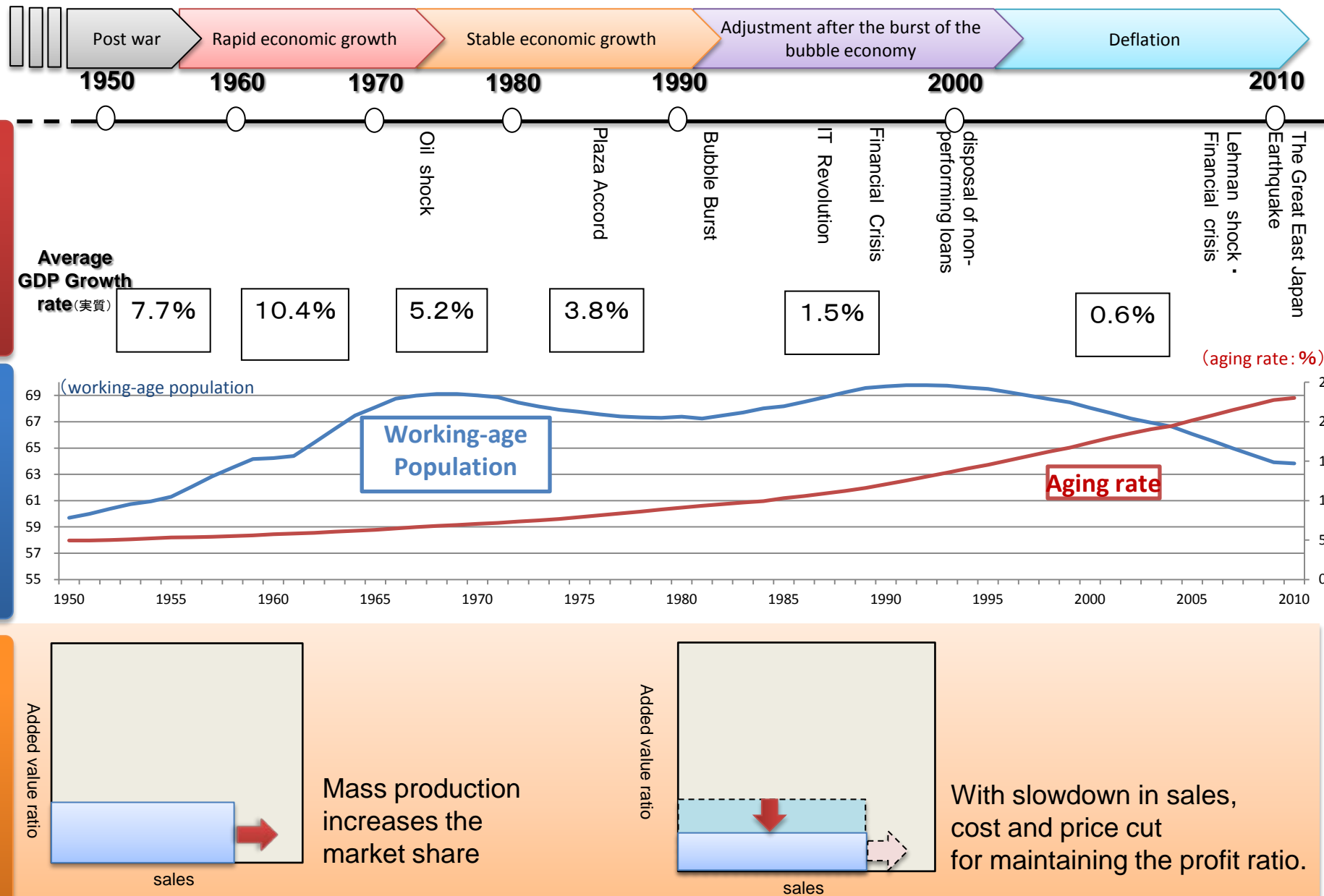


<Today's Agenda>

1. “Promoting Working Women”
for Japan’s Economic Growth
2. The Issues and
Government Programs

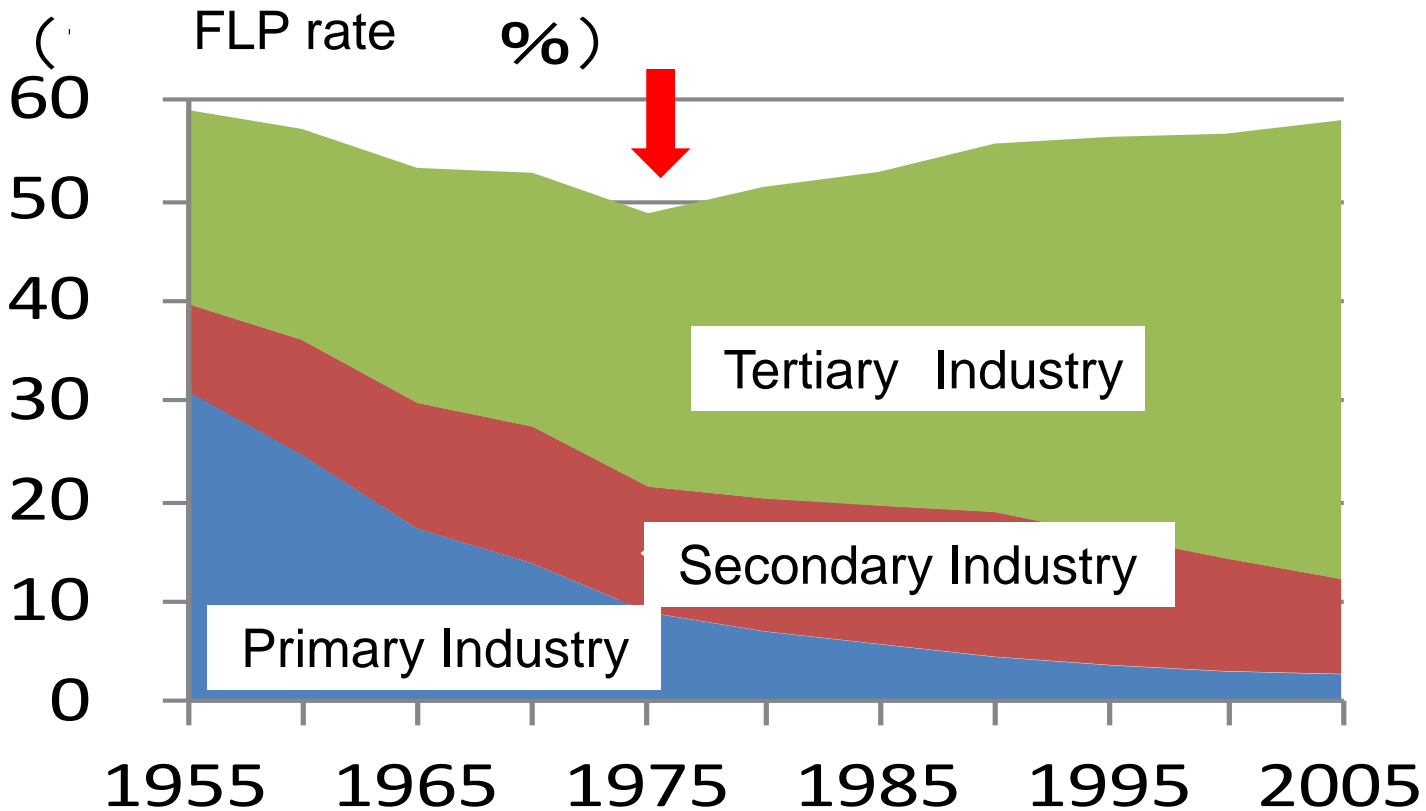
1. “Promoting Working Women” for Japan’s Economic Growth

Historical Change of Japan's Growth Model



Historical Change of Japan's FLP rate

- It is not true that in Japan the FLP rate has been continuously low.
- Actually, the FLP rate was the lowest in 1975, at the end of the “rapid economic growth” period.



Vision of Economic Society “Maturity” and “Diversity” -Value Creation Economy

June 2012 New Industrial Structure Committee of the Industrial Structure Council

Business Strategy & Industrial Structure

- Severe competition with emerging nations
- The growth model of “mass production and price competition” has reached its limit

“Vision of Economic Growth”

Stimulating latent domestic demand and obtaining demand of global markets through value creating innovation by exercising Japanese sensibilities and technology

Employment Structure

- A rigid and uniform full-time worker model (lifetime employment, regular male workers) has hindered developing an environment for value creation.
- Lack of work-life balance (Long time work with declining productivity per hour)

“Vision of Human Resources”

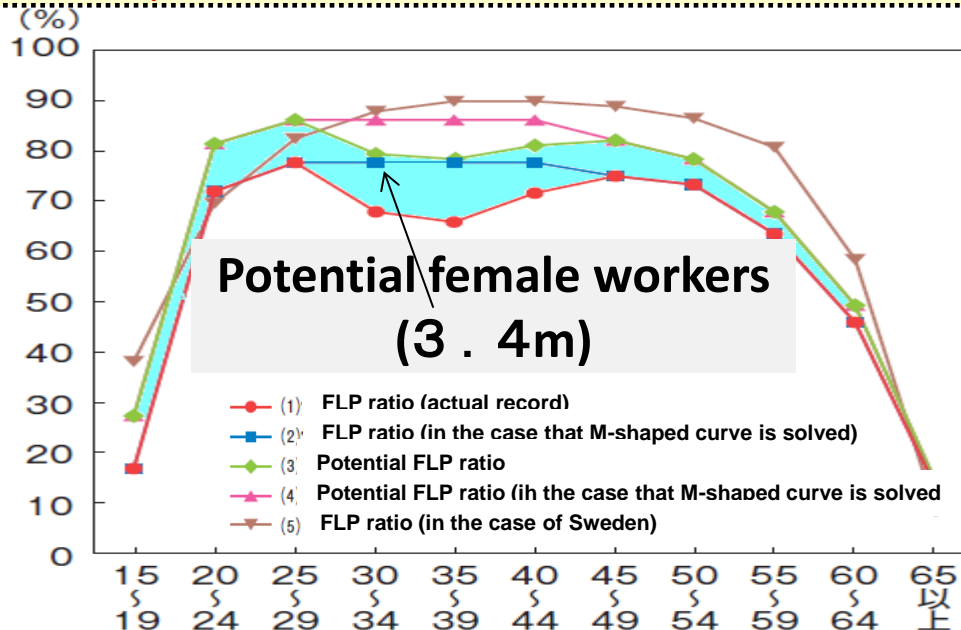
- Creating a society where various human resources, women, young, elderly, disabled people, etc. can participate in value creation.
- Realization of the double-income-two-kids lifestyle and shift to a society of mutual support among all generations

The Government's View of "Female Empowerment"

"Women participating actively" is "the central core of Japan's Growth Policy".

- ① To offset the decline in the working-age population
- ② To increase household income and expand domestic demand
- ③ To improve the birthrate with sufficient support for work-life balance

- Potential female workers are about 3 million.
- If they all worked, they would earn about 7,000 billion yen (\$70 billion), which corresponds to 1.5% of GDP.



The speech by Hillary Clinton, Secretary of State at the APEC Summit on "Women and Economy" in 2011)

"A Goldman Sachs report shows how a reduction in barriers to female labor force participation would increase ...Japan's GDP by 16 percent..."

IMF Managing Director, Mme. Lagarde (IMF WP "Can Women Save Japan?")

...if Japan were to raise its FLP ratio to the level of the G7, GDP per capita would be permanently higher by 4 percent...Raising FLP rates further to the level of northern Europe could increase GDP per capita by an additional 4 percent.

2. The Issues and Government Programs

The Issues and the Policy Direction

- There are problems of women labor ***both in quantity and quality***.
- Major large companies, which have realized a high retention rate with generous family support, now face the “quality” issue (promotion of women workers to higher positions).

Increase **QUANTITY**
of women labor

synergy

Improve **QUALITY** of
women labor

Issue

60% of women quit jobs at giving birth due to the difficulty of WLB

Women’s potential is not fully utilized (“Mommy’s track” problem)

**Policy
Direction**

**①Promote supports for
workers’ WLB**

- Childcare services
- Diverse and flexible working condition
- Assistance for housewives’ re-entering the workforce after raising a child

**②Encourage companies’
positive actions for women’s
empowerment**

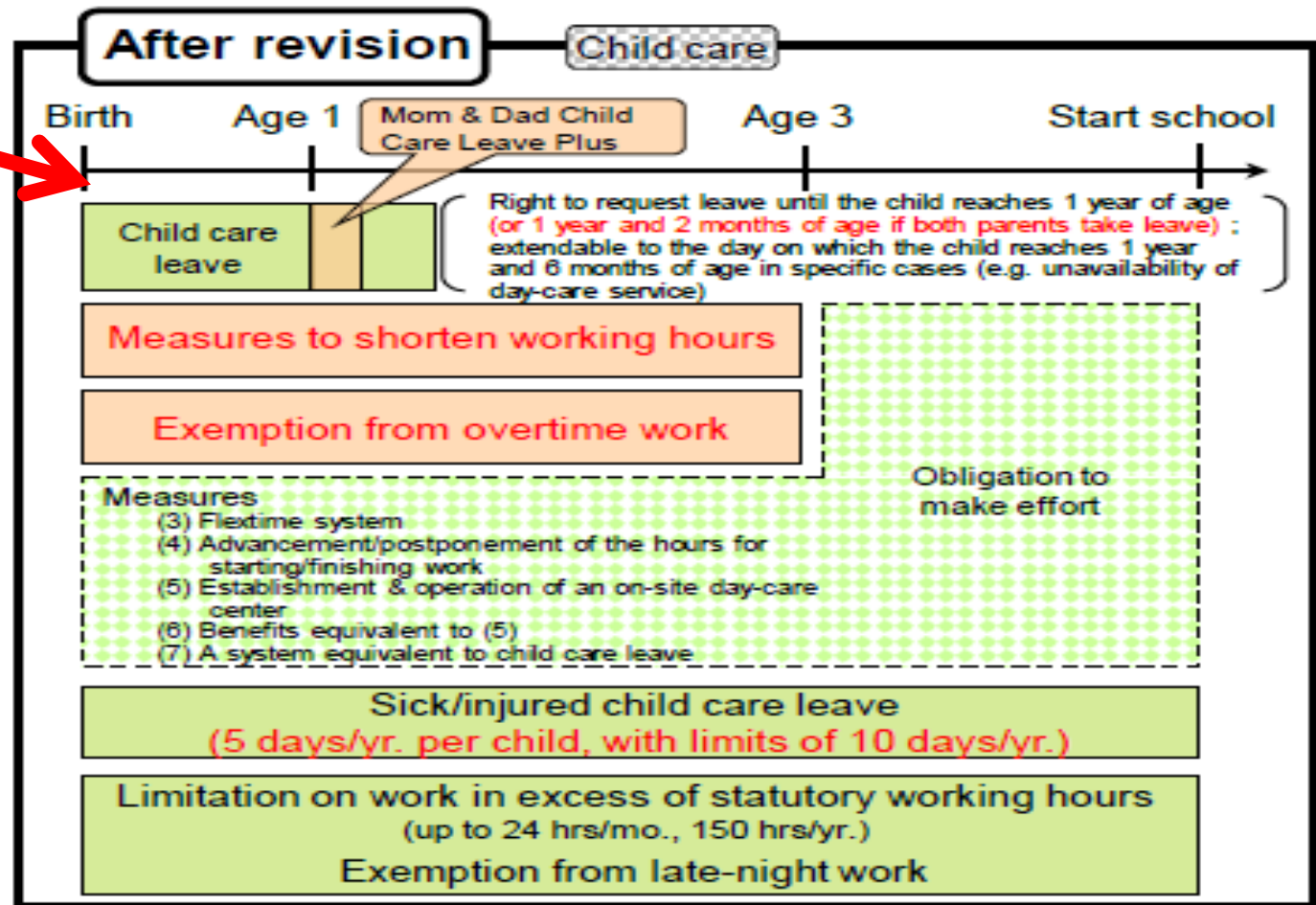
- Promote “diversity management” as “business strategy,” rather than as “welfare”
- Promote “visibility” of the situation of women empowerment in companies

③Encouraging female entrepreneurship

The Child Care Leave System

- Legal requirement: 12-18 month childcare leave and three year shortening of working hours.
- In large companies, where such measures have been fully established, female employees rarely leave their jobs after having a child.
- In SMEs, it is still difficult for female employees to actually use the measures.

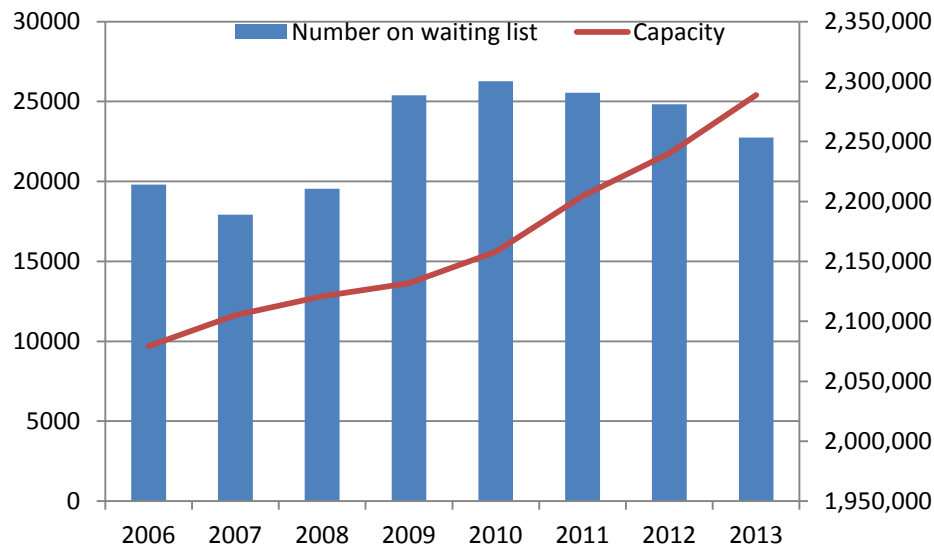
50% of the base salary is paid as child care leave benefits



The Problem of Childcare Waiting Lists

- The official number of children on the childcare waiting list is about 23,000, but the potential demand is estimated around 850,000 to 1 million.
- Services provided mainly by public or “social welfare corporations” do not fully respond to diversified demands, such as services during the night and for periods of illness, etc.

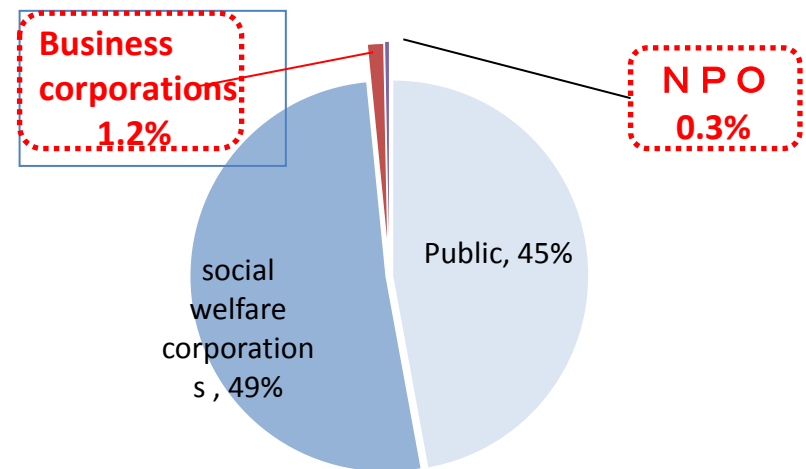
The number of kids on childcare waiting lists



(Source) Ministry of Health, Labour and Welfare

Childcare operating bodies

(April 2011)



(Source) Ministry of Health, Labour and Welfare

“Accelerating the Zero Childcare Waiting List Project”

- Ensure acceptance of about 200,000 children by the end of 2014 FY, about 400,000 by the end of 2017 FY, the peak of childcare demand.
- Accelerate preparation of facilities by various operating bodies including business corporations.



Mothers made objection statements against local government.



Business corporations provide good services, leading to users' satisfaction.

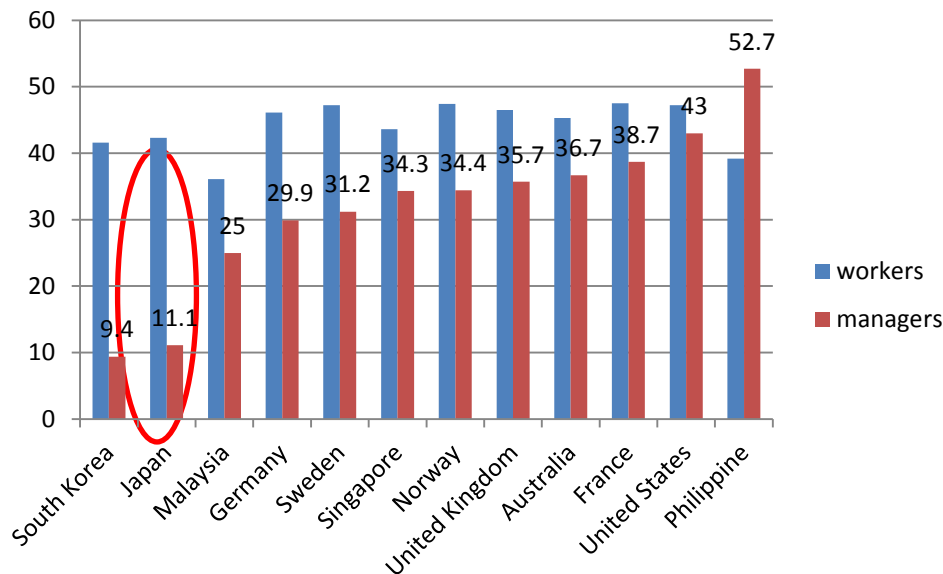
**“Accelerating the Zero Childcare Waiting List Project”
Urgent project (this year/next year)**

- (1) Developing childcare centers by lease and utilizing government-owned land (facilities)
- (2) Securing sufficient numbers of nursery teachers
- (3) Bringing forward new systems including small-scale childcare services
- (4) Supporting non-registered childcare facilities
- (5) Supporting employer-provided childcare services

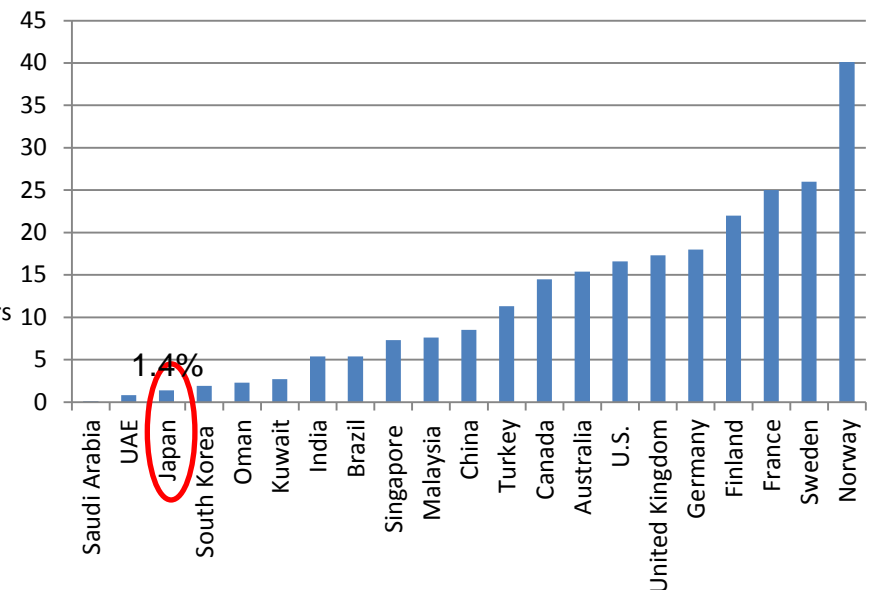
Women's Empowerment in Corporations

- Despite the national target of “30% women in leadership positions by 2020,” in reality, the share of women in leadership positions (managerial positions or board) still remains very low.

【The share of women in managerial positions】



【The share of women board members】

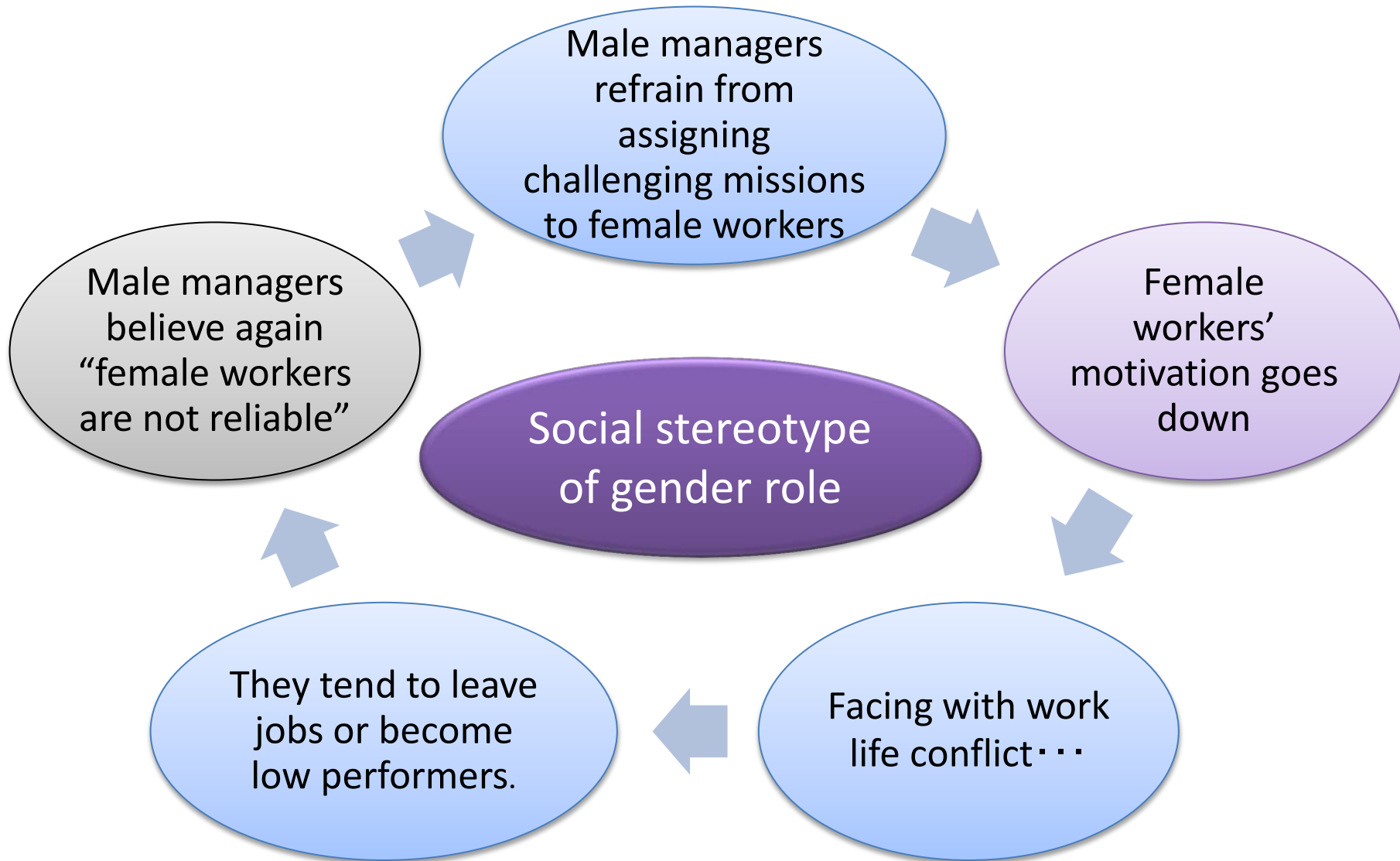


(Notes)

1. Based on the "Labour Force Survey (Basic Tabulation)" by the Ministry of Internal Affairs and Communications (2012) and "Databook of International Labour Statistics 2012" by Japan Institute for Labour Policy and Training
2. 2012 data are used for Japan, 2008 data for Australia and 2010 data for other countries.
3. For the purpose of "Labour Force Survey" by the Ministry of Internal Affairs and Communications, "Administrative and Managerial Workers" include company officers, company management staff, and management government officials among workers. Definition of administrative and managerial workers varies across countries.
4. "Labour Force Survey" by the Ministry of Internal Affairs and Communications uses the population assumed on the basis of the fixed population according to 2010 census (new reference) as the base of calculation.

(Source) Data from documents of **Corporate Women Directors International (CWDI)**

Vicious cycle of discouraging the promotion of women



Diversity Management Selection 100 (FY2012)

- METI launched the “Diversity Management Selection 100” project in FY2012.
- Aim to promote diversity mgt. by collecting best practices and appealing its importance as a business strategy.
- “Diversity”= HR strategy to proactively utilize various human resources (including women).
- In FY2012, from 160 applicants, 43 enterprises were selected



Diversity Management Selection 100

(FY2012: 43 enterprises (inc. 22 SMEs))



Construction	
Shigematsu Kensetsu Co., Ltd.	★
Green Life Industry Co, Ltd.	★
Manufacturing	
Rokkatei Confectionery Co., Ltd.	
Meister Inc.	★
Kurita Aluminum Industry Co.	★
Kaneko Manufacturing Co.	★
Sanshu Seika Co.	★
Kao Corporation	
Kirin Holdings Company	
Sato Holdings Corporation	
Suntory Holdings Limited	
Shiseido Company	
Toshiba Corporation	
Hitachi, Ltd.	
Fuji Electric Co., Ltd.	
Ricoh Company, Ltd.	
Nissan Motor Co., Ltd.	
Otani	★
OGAWA NO SHO INC.	★
Kokuyo Co., Ltd.	
Saraya Co., Ltd.	
Winnac	★
N.E. Works	★
TOTO Ltd.	
USA Lantern, K.K.	★

Information and communications	
ISFnet, Inc.	
NEC Soft, Ltd.	
NTT Data Corporation	
SI Co., Ltd.	★
Wholesale/retail	
MO-HOUSE	★
Start Today Co.	
Japan Laser Corporation	★
HiSOL, Inc.	★
Kimura Metal Industry Co., Ltd.	★
Tenhiko Industrial Co., Ltd.	★
Finance/insurance	
Dai-ichi Life Insurance Company	
Resona Bank, Limited	
Academic research, specialists, and technical services	
OJT Solutions Inc.	★
Living-related services/entertainment	
Kimono Brain Corporation	★
Okinawa Tourist Service Incorporated	
Other services	
24-7 Inc.	★
Koureisha Co.	★
Support Gyoseishoshi Law Firm	★

★ 300 or fewer employees

Shigematsu Construction Co.(SME)

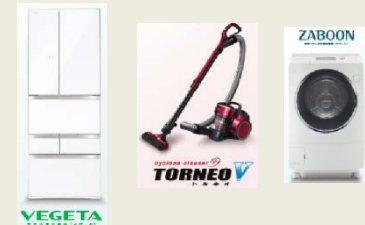
- The CEO named women to supervise sites, expecting them to reform site operation.
- Good communication by women led to the improved CS.



“Convenient houses for women”

Toshiba Corp.

- In globalization, as a part of organizational reform, it opened a “Twinkling school” to train female leaders
- It provided a handbook on management knowhow to work efficiently



“Mom Heart Series” developed by female employees

Nissan Motor Co., Ltd.

- Since teaming w/ Renault, it has tackled diversity as part of its overall business strategy
- Implementing career development support to systematically encourage female managers (mentoring by executive directors)
- female managers increased 1.6%('04) to 6.7%('12)



“Note a bestseller, developed by a female leader

Shiseido Company

- Full support for WLB (in-house childcare center)
- Now focusing on the promotion of female leaders and reforming ways of working



Tsubaki brand, developed by female marketers, recovered No1 position in the shampoo market.

“Nadeshiko Brand” (FY2012)

- METI and the Tokyo Stock Exchange jointly launched.
- Aims to recommend for investors such enterprises excellent in promoting women's performance as attractive targets with potential for long-term growth. <http://www.meti.go.jp/policy/economy/jinzai/diversity/nadeshiko.html>



<Selection Process>

1. Scoring regarding women's empowerment based on
[i] conducting career support for women and
[ii] supporting women in balancing work and family.

2. Screening based on financial aspect (ROE),



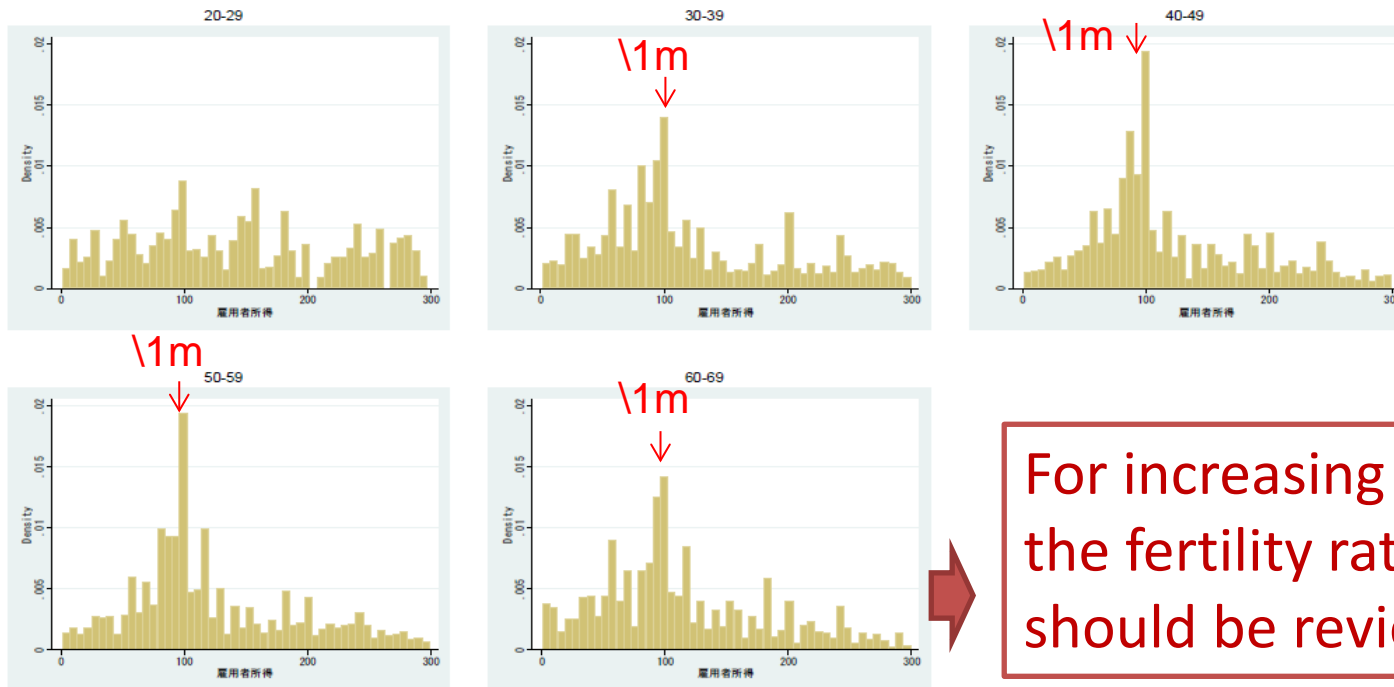
Picked up the top 17 enterprises by sector.
(publicized February 26, 2013)

Enterprises	Industries
Maruha Nichiro Holdings, Inc.	Fisheries, agriculture, and forestry
Sekisui House, Ltd.	Construction
Asahi Group Holdings, Ltd.	Food
Toray Industries, Inc.	Fabricated textile products
Kao Corporation	Chemistry
Sumitomo Rubber Industries, Ltd.	Rubber products
Asahi Glass Co., Ltd.	Glass and clay products
Daido Steel Co., Ltd.	Iron and steel
Sumitomo Metal Mining Co., Ltd.	Non-ferrous metals
Daikin Industries, Ltd.	Machinery
Nissan Motor Co., Ltd.	Transportation equipment
Nikon Corporation	Precision machines
Tokyu Corporation	Land transport
KDDI Corporation	Information and communication
Toyota Tsusho Corporation	Wholesale trade
Fast Retailing Co., Ltd.	Retail trade
Sumitomo Mitsui Financial Group	Banking

Tax and Social Insurance System as “Barriers to Female Employment”

- The income distribution of married women has its peak around ¥1 million.
- This is because many female part-time workers adjust their working hours for their annual income not to exceed the limit for tax deduction for spouses (¥1.03m) and exemption for social insurance fee (¥1.3m).

The Income Distribution of Married Women (Each Age Group)



For increasing the FLP, and the fertility rate, tax system should be reviewed.

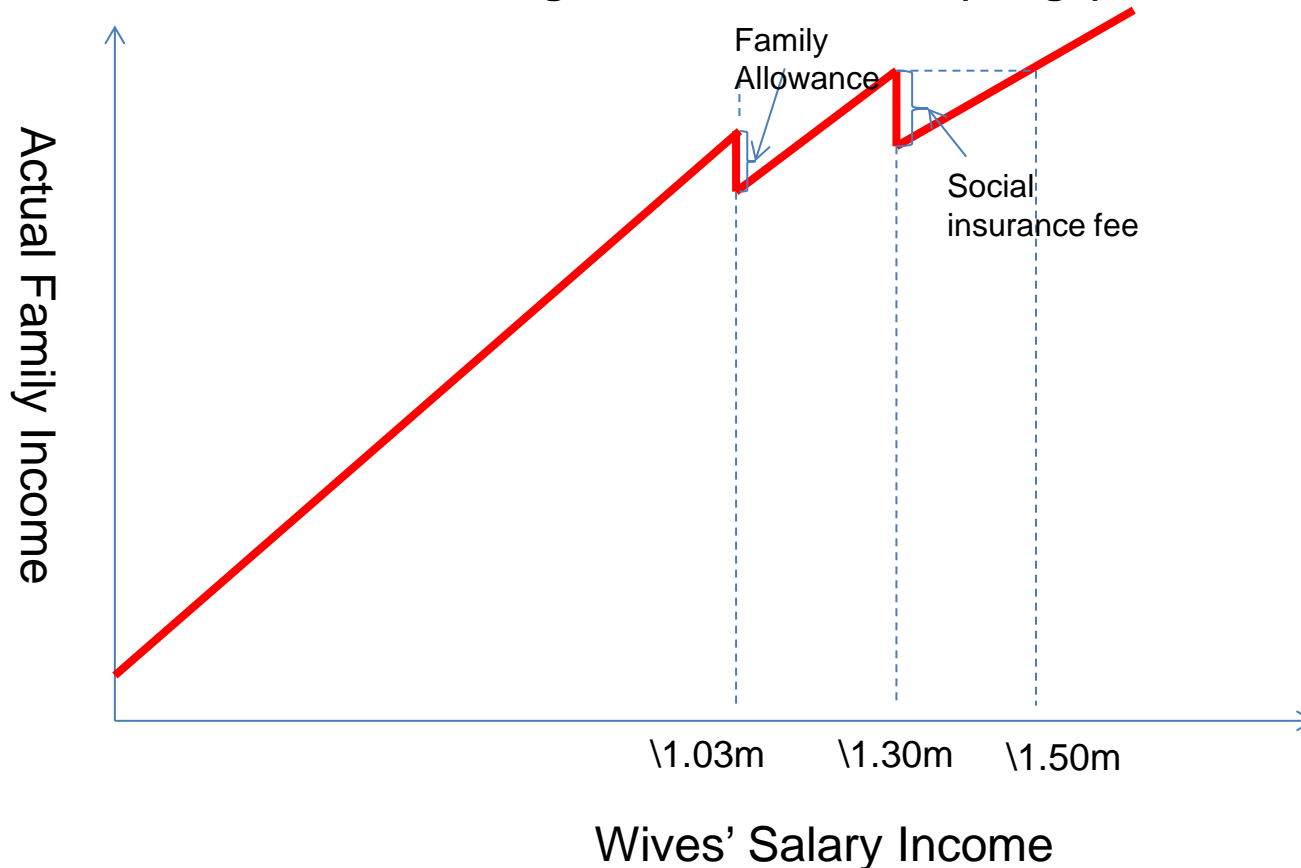
資料：厚生労働省「国民生活基礎調査」（平成 22 年）。男女共同参画会議基本問題・影響調査専門調査会 女性と経済ワーキング・グループ（安部由起子委員）による特別集計。

（出所）男女共同参画会議基本問題・影響調査専門調査会報告書「第1部 女性が活躍できる経済社会の構築に向けて」（2012年2月）

Discontinuous Points of Family Income

- “The barrier of ¥1.03m” remains due to spouse allowance paid by private companies associated with the limit of tax deduction.
- “The barrier of ¥1.3m” is made by the institutional limit (※) of the exemption of social insurance fee. ※The limit will be lowered to ¥1.06m in 2016 for large companies.

The Change of Family Income according to the change of wives' income (image)



In Conclusion

- PM Abe's message of "the core of growth policy" has inspired social awareness and motivated companies to promote diversity.
- In childcare services, the progress can be expected by "the Zero Childcare Waiting List Project"
- The remaining issues are:
 - Promote WLB in workplaces (flexible work styles and management reform)
 - Motivate women workers to pursue career development (education, reviewing the tax system, etc.)

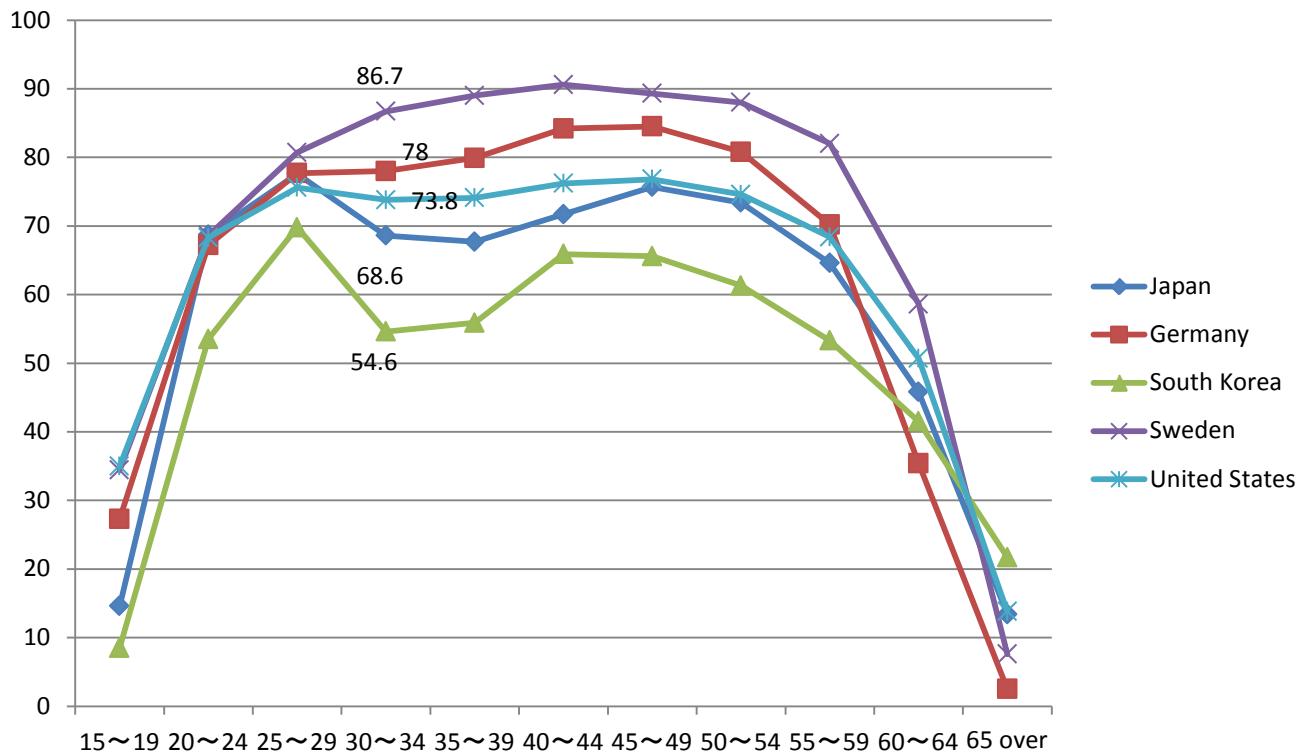
Reference Data

(Current Conditions in Japan)

Female Labor Participation Rate by Age (int'l comparison)

- Female labor participation (FLP) rate in Japan is low, compared to other developed nations.
- Known as the problem of the “M-shaped curve,” the FLP rate drops for women in their 30s into 40s, when women raise children.

FLP rate by age group (international comparison)



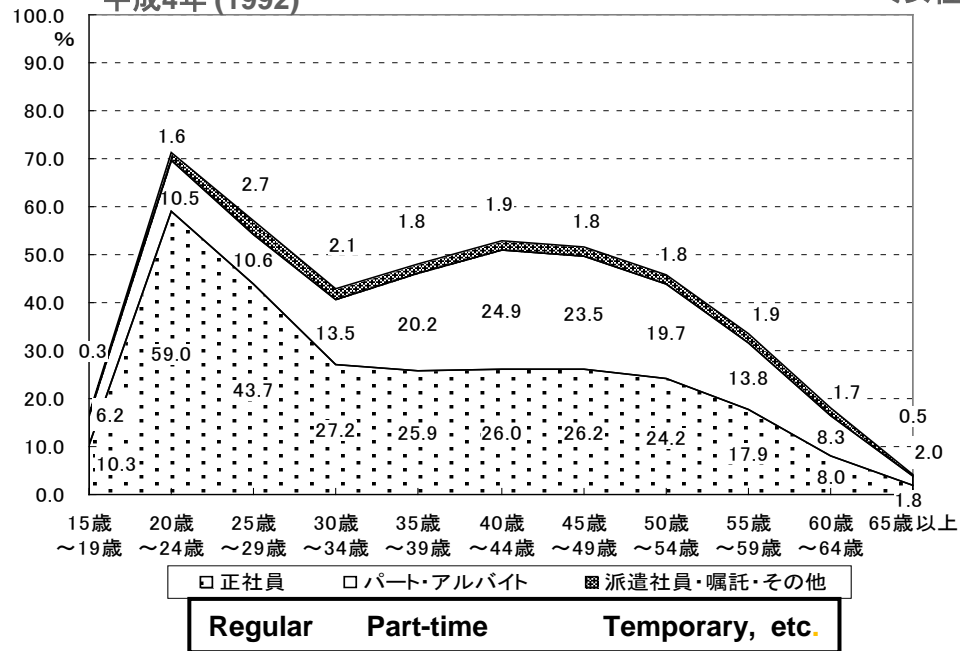
(Source) Cabinet Office “White Paper on Gender Equality 2013”

Female Labor Participation Rate by Age Group (recent change)

- The curve seems to have gradually improved, but actually, it is mainly due to the increase of non-regular workers.
 - After their late 30s, non-regular workers account for more than half.
- The change of FLP rate/employment type breakdown by age group

FLP rate

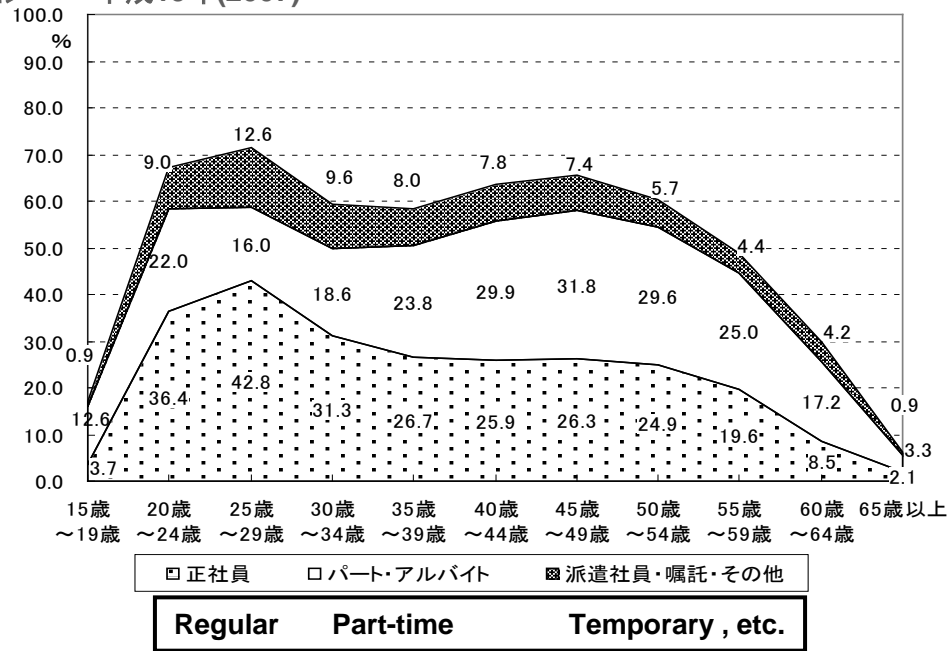
平成4年(1992)



FLP rate

平成19年(2007)

<女性>



資料:総務省「就業構造基本調査」

注 1:会社役員を除く雇用者。

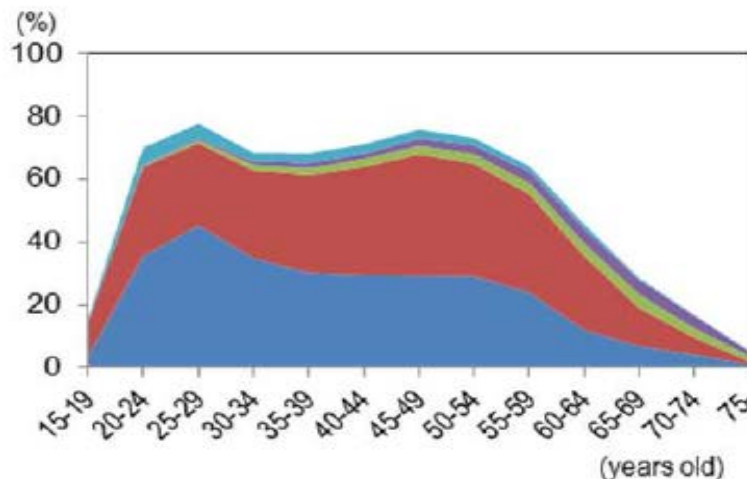
注 2:「正社員」とは、正規の職員・従業員。「派遣社員・嘱託・その他」とは、労働者派遣事業所の派遣社員、契約社員、嘱託、その他。

Labor Participation Rate by Age (male/female comparison)

- The majority of female workers is comprised of non-regular workers.
- The proportion of female non-regular workers is bigger than for males even at younger ages (about half).

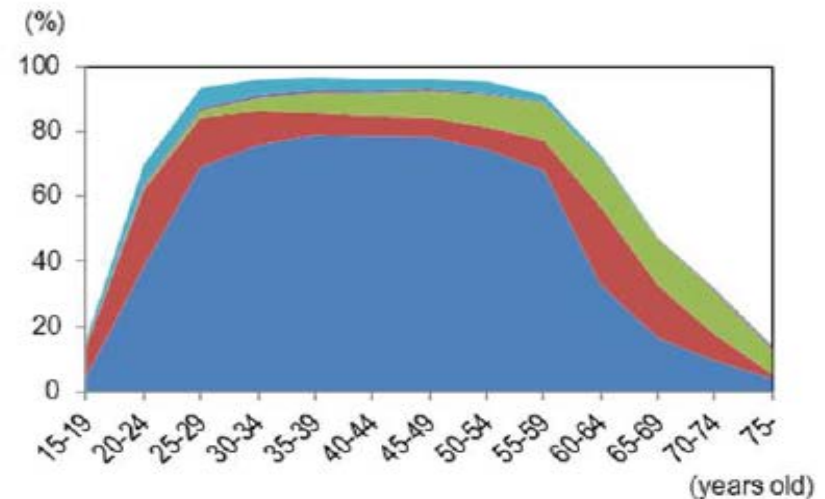
The Labor Participation rate/employment type breakdown

<Women>



Unemployed person (1.12)
Self-employed worker (1.39)
Regular worker (11.28)
Family worker (1.34)
Non-regular staff (12.47)
unit: million people

<Men>



Unemployed person (1.73)
Self-employed worker (4.23)
Regular worker (25.81)
Family worker (0.33)
Non-regular staff (5.66)
unit: million people

(Notes)

1. Based on "Labour Force Survey (Detailed Tabulation)" (2012) by the Ministry of Internal Affairs and Communications
2. "Regular worker" is the sum of "Regular staff" and "Executive of company or corporation".

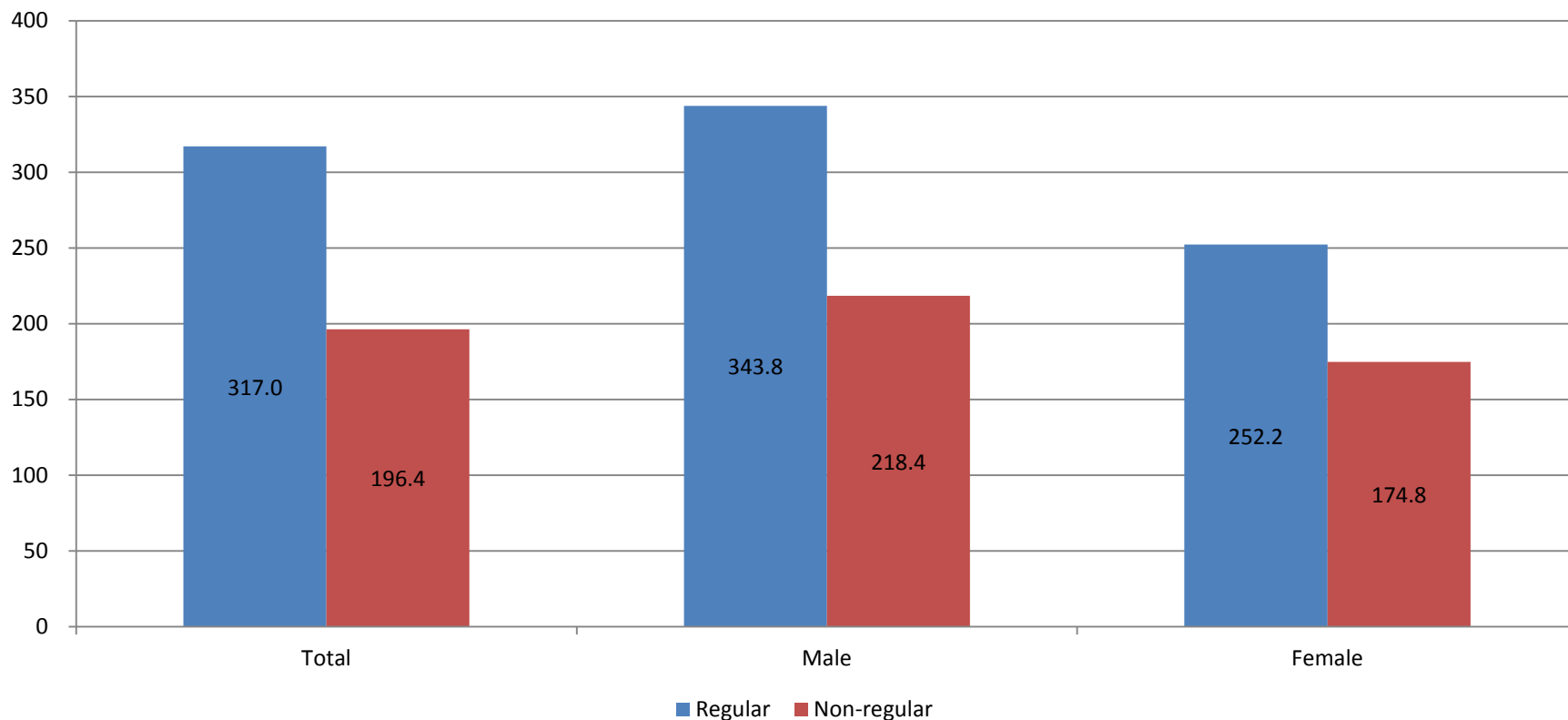
Source: "White Paper on Gender Equality 2013" (Cabinet Office, Government of Japan)

Gender Gap of Average Wage

■ **Gender gap of the average wage of regular workers is 27%.**

✂ Female/male rates are about 70% (the number of workers, the working hours and the average wage per hour), and the F/M rate of the total income is 37%.

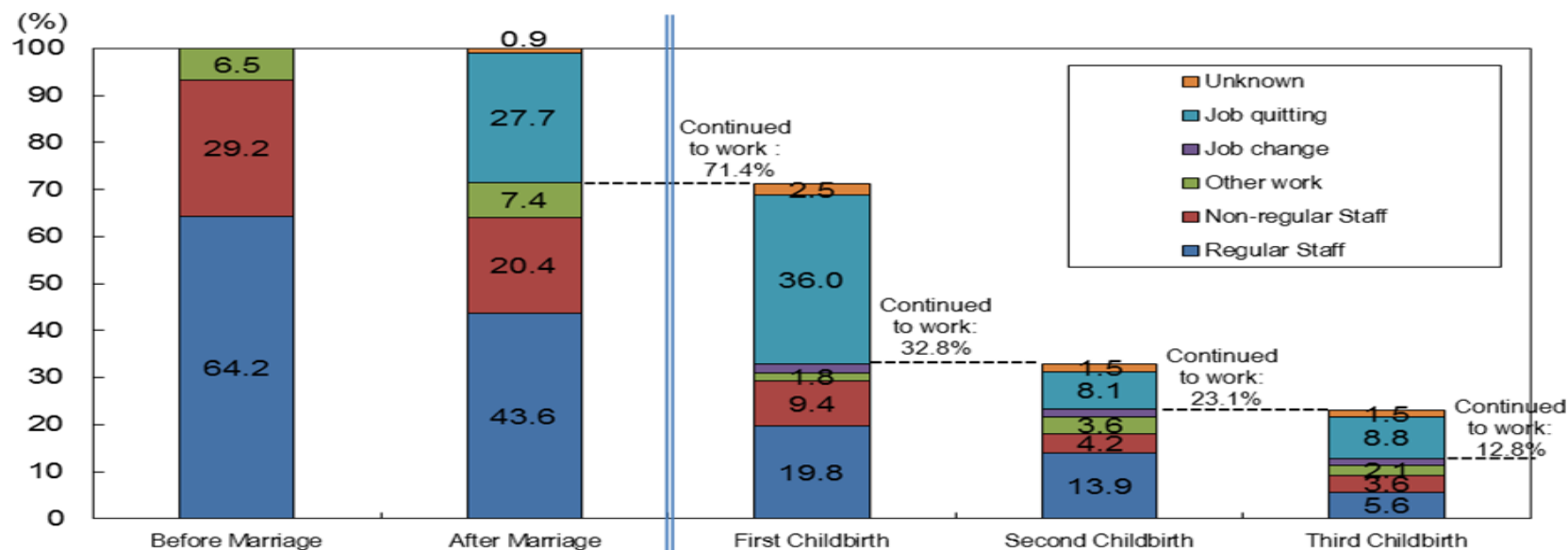
Average wage by status and gender (2012, thousands of yen)



Source: Basic Survey on Wage Structure 2012 (Ministry of Health, Labour and Welfare)

Change of Women's Employment Status in Life Events

- Over 60% women leave their jobs after having their first child.
- The proportion has not changed for 20 years
- The effect of increased retention rate of regular workers has been offset by the increase of the share of non-regular workers.

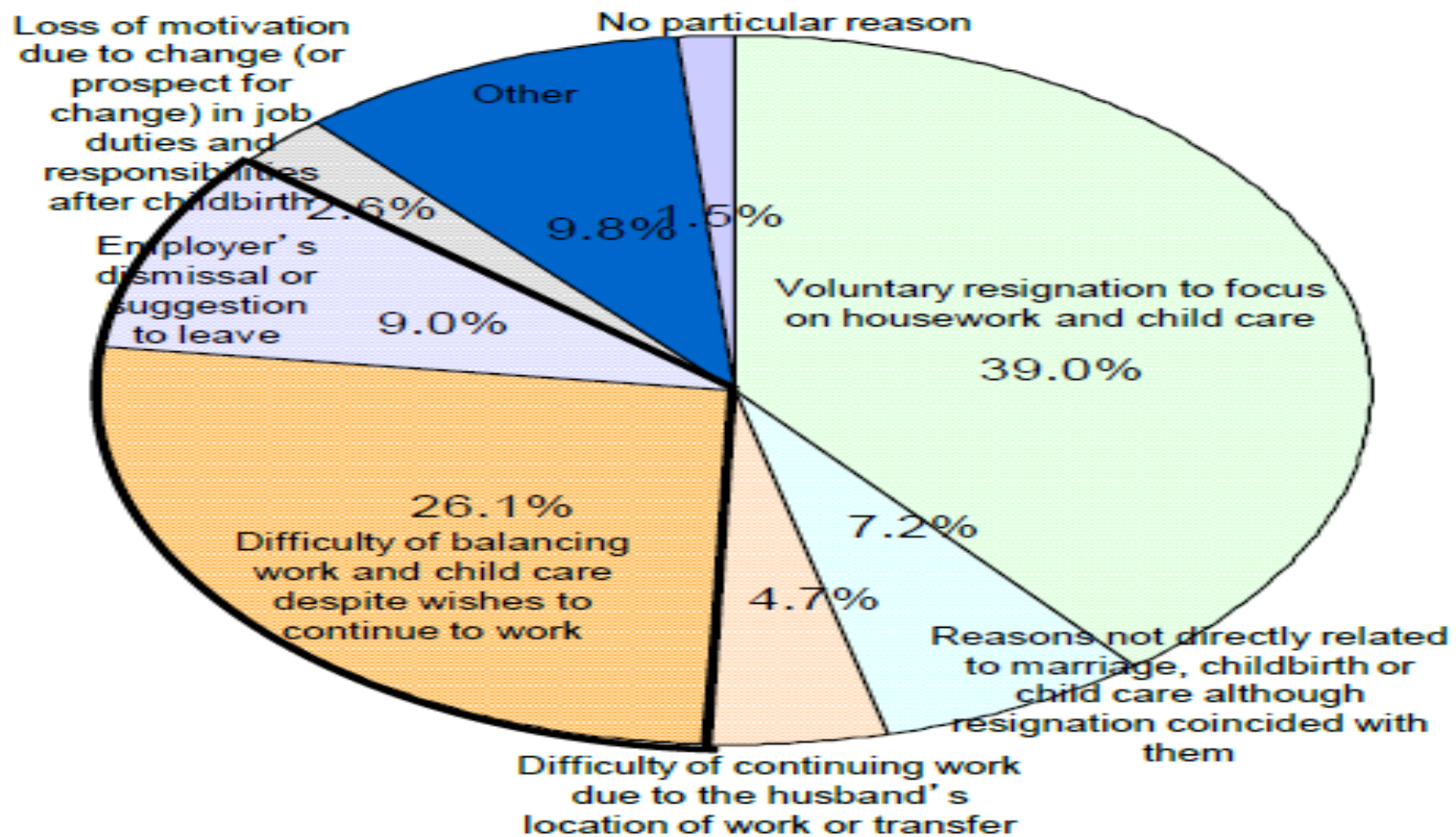


(Notes)

1. Based on "The 10th Longitudinal Survey of Adults in the 21st Century" (2011) by the Ministry of Health, Labour and Welfare
2. The number of women who were working before marriage is considered as 100%.
3. Status change on the occasion of marriage and childbirth are integrated in the graph here to see the overall tendency, though they are asked in separate questions.
4. Change of employment status on the occasion of marriage is shown based on the survey of the women who were working before marriage and got married during nine years from the first survey (2002) to 2011.
5. Change of employment status on the occasion of childbirth is shown based on the survey of couples where the wife was working before childbirth and gave birth to child(ren) in nine years from the first survey (2002) to 2011.

Why do Women Leave Jobs after Giving Birth?

- A major reason is the difficulty of balancing work and life, due to long work hours.
- The fact that about 40% voluntarily choose to leave jobs implies “the myth of the 3 year-old child” remains.

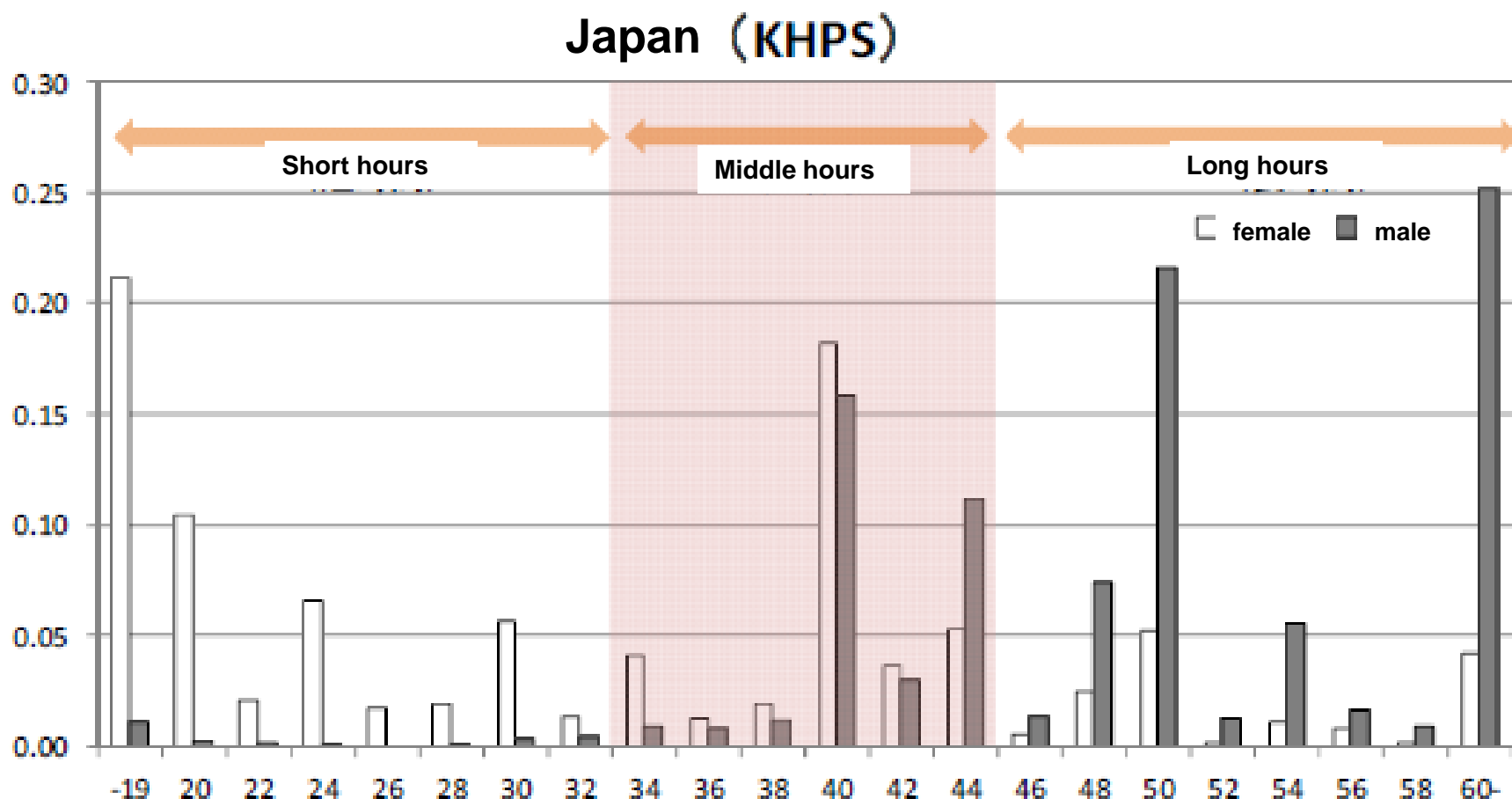


source:

“Comprehensive Study on Issues Concerning Work-Family Life Balance Support” (2008) Mitsubishi UFJ Research and Consulting Co., Ltd.

Distribution of Working Hours in Japan

■ In Japan, the majority (2/3) of males work long hours and the majority of females work short hours (“bipolarization”).



(Source) Estimate by Associate Professor of Economics, Isamu Yamamoto, Ph.D.

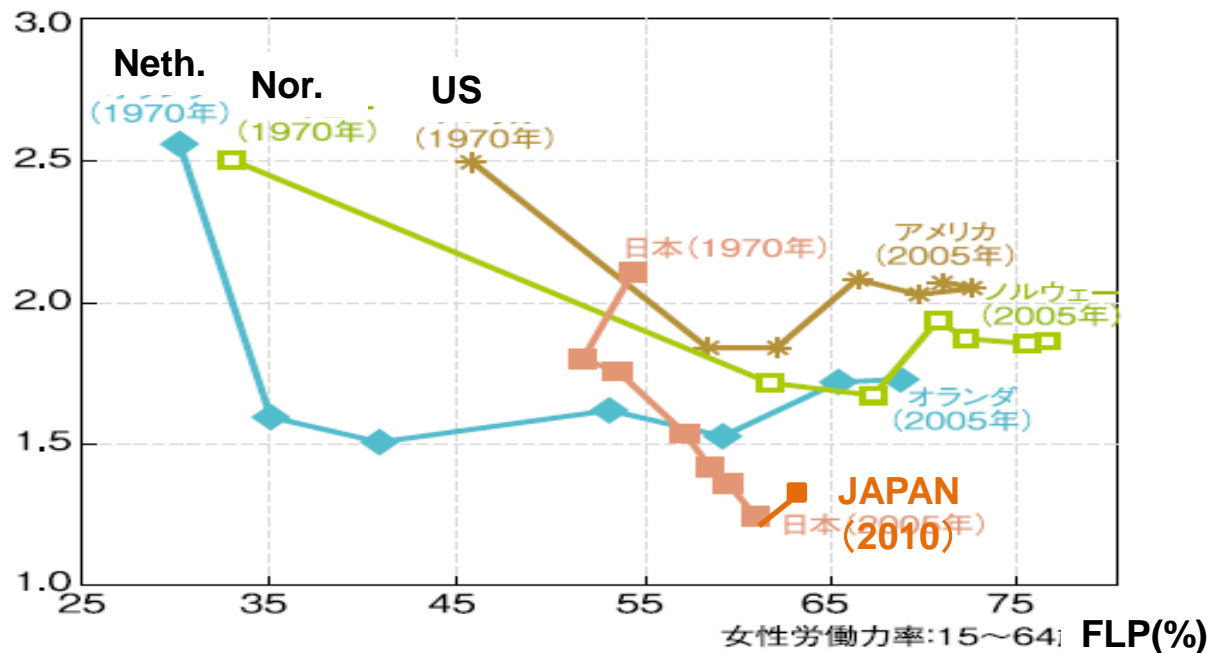
(Report of the Expert Research Committee of Monitoring and Influence, Gender Equality Conference (Feb. 2012))

FLP Rate and Total Fertility Rates

- There is an evident tendency for developed countries with a higher FLP rate to have higher birthrates (positive correlation).
- In Japan, the increase in the FLP rate has led to a decrease in the birthrate due to the insufficiency of social support for balancing work and life (esp. childcare services).

Transition of FLP rate and Total Fertility Rate (Int'l comparison)

Total fertility rate



備考: 1. OECD Fact Book 2008、ILO Year Book of Labour Statisticsにより作成。
2. データは1970年、80年、85年、90年、95年、2000年、05年。

(注) 日本の2010年データについては、労働力率は「平成22年版働く女性の実情」、合計特殊出生率は厚生労働省「人口動態統計」に基づき追加。

A Common Cause and Solution for Low FLP and Birthrate

<Current Situation>

“Work”
OR
“Family”

Low rate of
FLP

Low birthrate

<Future Direction>

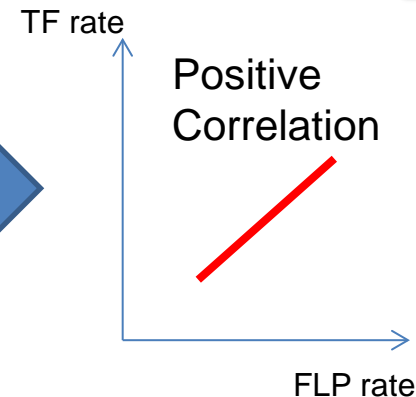
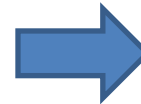
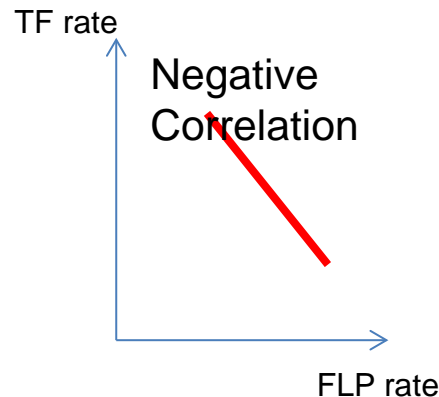
Increase FLP

Increase
birthrate

Secure
Workforce
(Now and
Future)

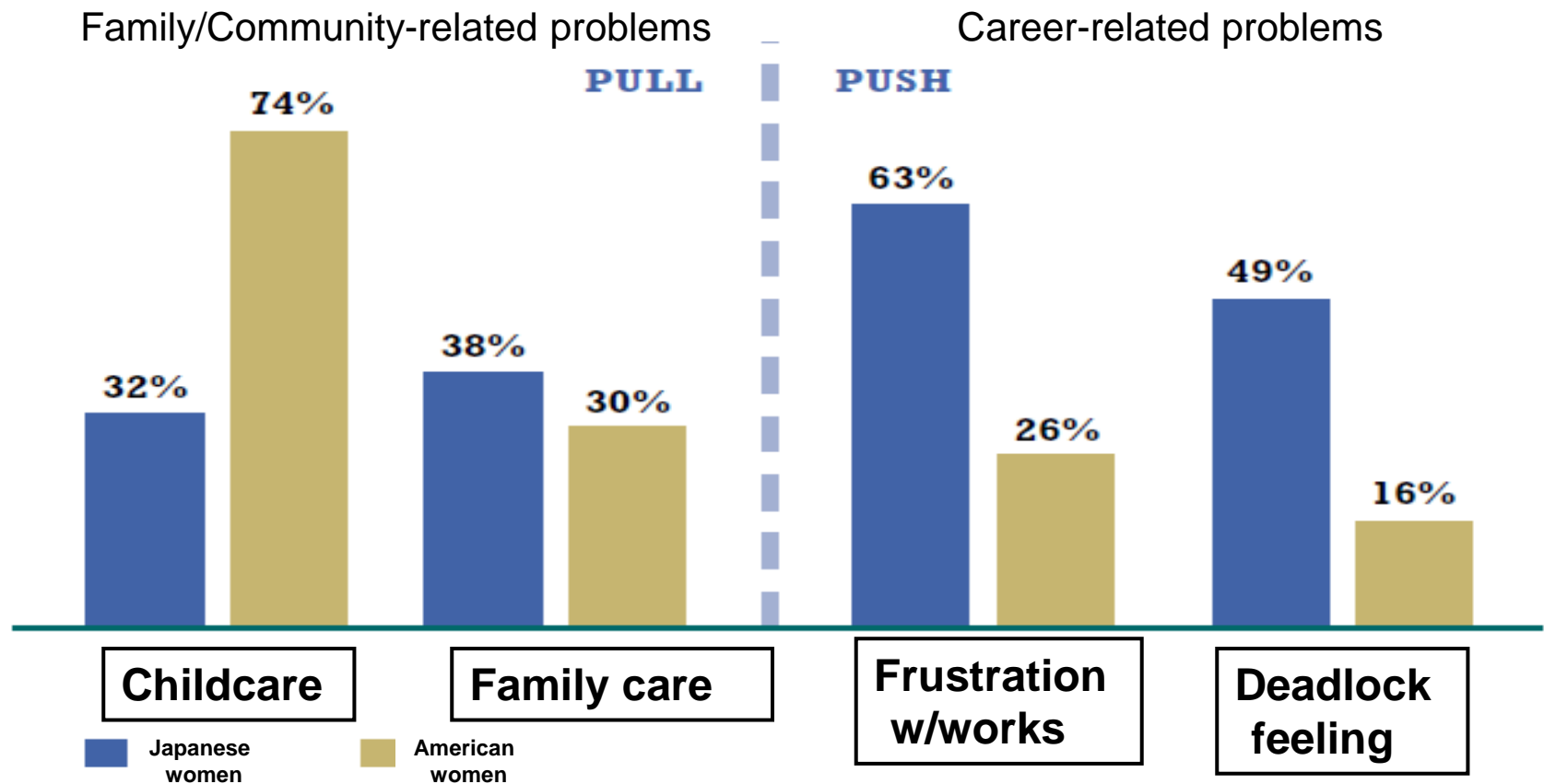
Sustainable
Economic Growth

Promotion of WLB



Why do Female University Graduates Leave Jobs?

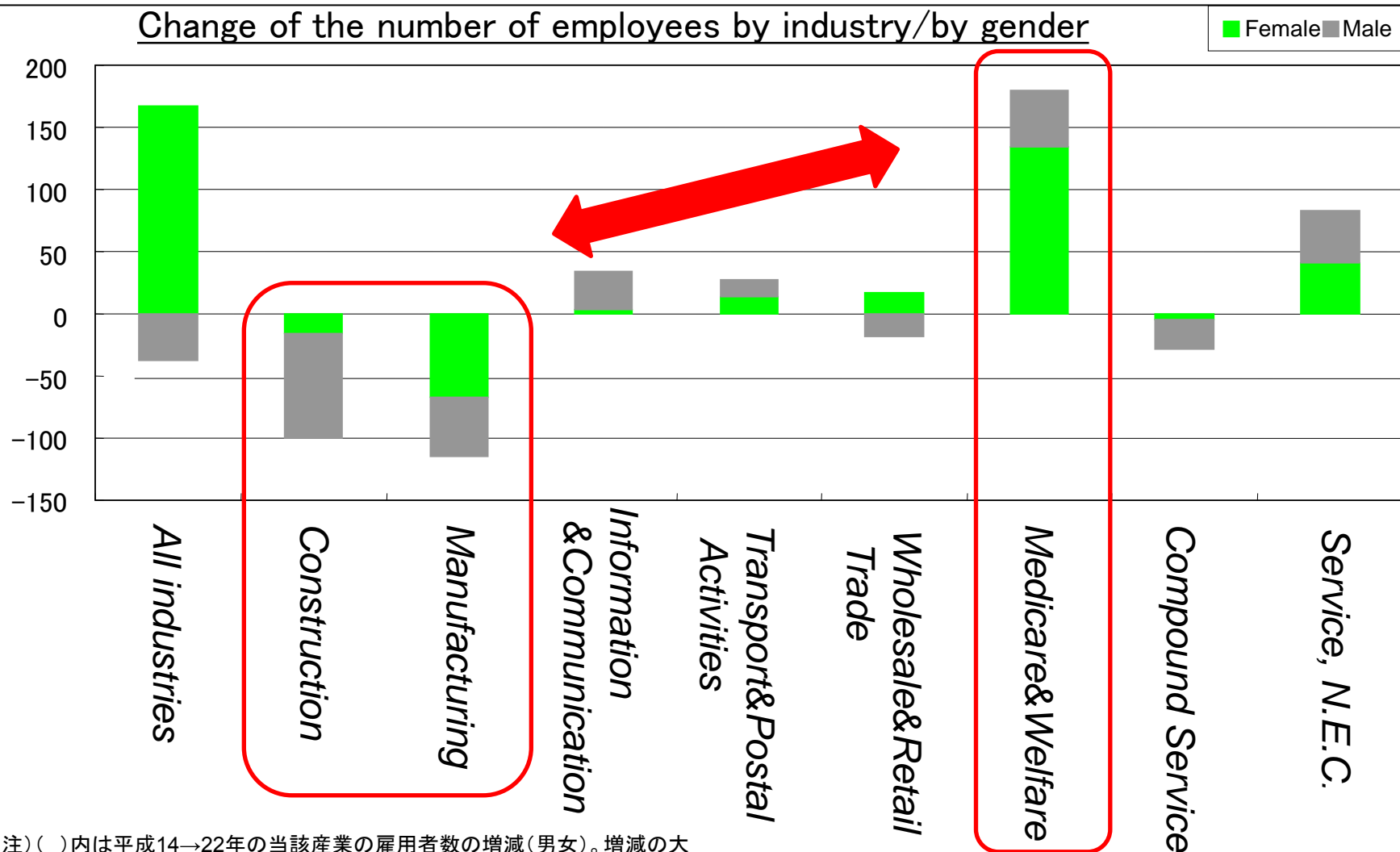
■ Major reasons are “frustration with their work” and “feelings of deadlock in their career,” rather than the difficulty of WLB.



(Source) “Off-Ramps and On-Ramps: Keeping Talented Women on the Road to Success” by the US NPO, Center for Work Life Policy (2011)

The Increase in Demand for Female Labor Force

■ Manufacturing and construction with high proportion of male workers have been declining, on the other hand, medicare and welfare with a high proportion of female workers have been growing.

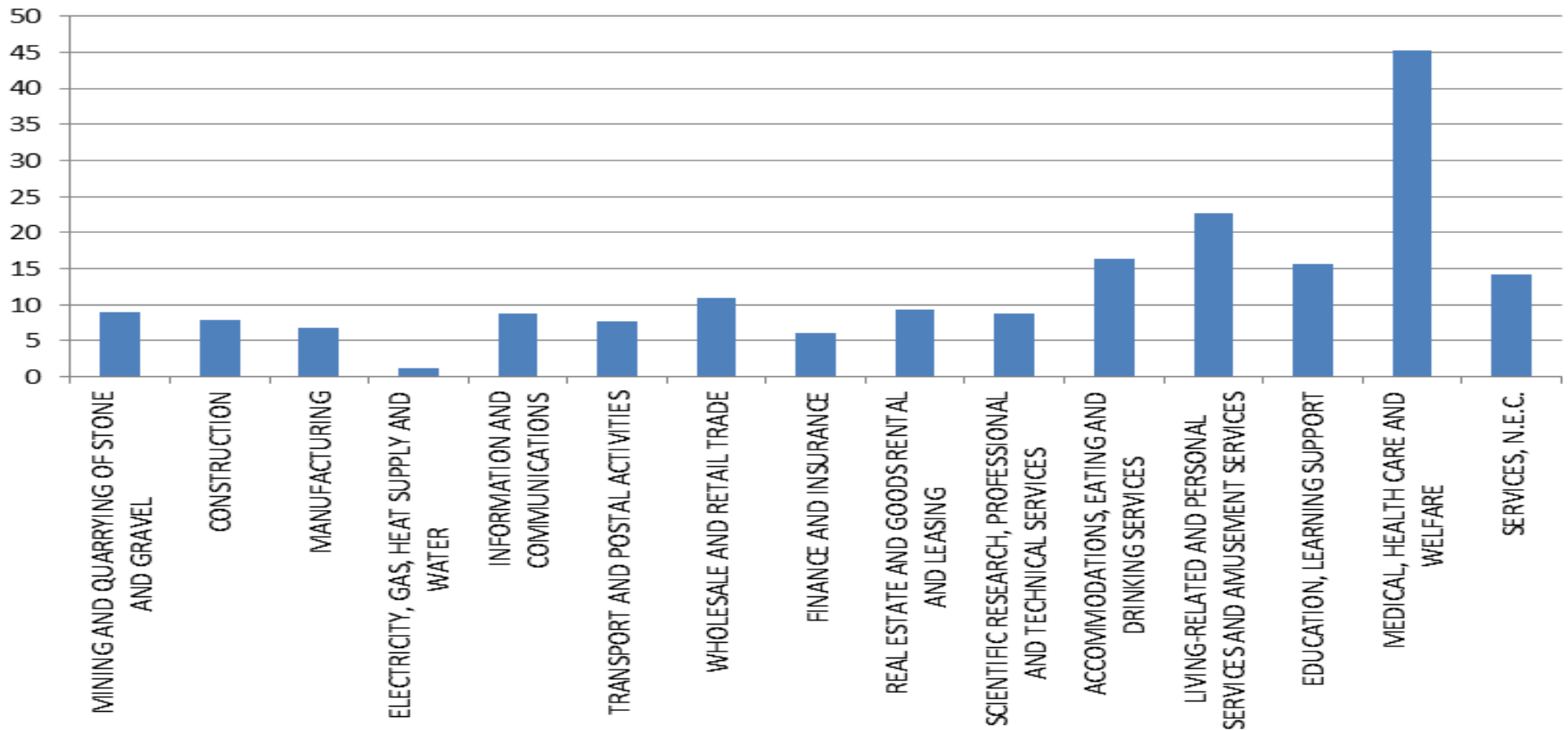


(注) ()内は平成14→22年の当該産業の雇用者数の増減(男女)。増減の大きな産業を抜粋。産業分類は日本標準産業分類(第12回改定)に基づく。

The Share of Women in Leadership Positions by Industry

■ The share of women in leadership positions is higher in service industries (esp. medical and healthcare) and lower in energy and manufacturing.

The share of women in leadership positions by industry (2011FY)



(Source) Data from "Basic Survey of Gender Equality in Employment Management" (FY2011), Equal Employment, Children and Families Bureau, Ministry of Health, Labour and Welfare