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From 'Post-war' to 'Post-Bubble': Contemporary Issues for Japanese Working Women

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The role of women in the Japanese labour force, and more broadly in society, has seen significant changes since 1945. Indeed, a crucial restructuring in the nature of women's employment has taken place during these post-war decades. The emancipation of women during the occupation years, the growth of the economy in the four decades following the Second World War, and changing social attitudes to women's roles have all contributed to this transition. Not least, the role of Japanese women themselves as active participants in the labour market and a growing workforce has had a key bearing on trends and transitions within the Japanese employment system. In the last thirty years, a historiography on Japanese working women has gradually established itself, and the reader may benefit from a brief overview of some of the key works that emerged during that time.

While early works, such as Lebra *et al.* (1976), presented narratives of working life histories from individual Japanese women, others such as Bernstein (1991) and Hunter (1993a) have set out in some way to re-address the image of Japanese women as workers, based on their long history of involvement in the pre-war economy. Comparative works emerged by scholars such as Brinton (1993), who presented a direct comparison between the Japanese and US labour markets, showing that the composition and mechanisms governing the female labour force in Japan were very different from those in other industrialized countries during the high-growth post-war decades. Ōsawa (1993a) found that the labour market for Japanese women, particularly married women, was influenced to a larger degree than their US counterparts by the importance placed on domestic roles for women. Some Japanese authors, such as Lebra (1984) and Iwao (1993), sought to challenge

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western feminism, providing an image of Japanese women as enjoying their freedom, having autonomy and power in the home and suggesting that Japanese women were not concerned with equality but rather were content to let the men be the 'worker bees' of society. Others, such as Shinotsuka (1982) and Imamura (1996), portrayed the balance contemporary Japanese women were trying to find between increasing economic opportunities and a continuing emphasis on their ideal domestic role.

While these works highlighted the so-called 'difference' and sometimes the perceived 'gap' between Japanese working women and that of their (western) international counterparts, they also contributed much towards the overthrow of stereotypes of Japanese women as primarily mothers and wives not working outside of the home. In my recent work (Macnaughtan 2005), I show that it was important for Japan's economy to harness female labour during the post-war growth decades, and demonstrate how and why a distinctive 'female employment system' emerged during these years. In economic life, the role of Japanese women has changed considerably since 1945, and continues to develop. At the political level, legislation has both emancipated them and constrained and protected them in the labour market. For example, labour legislation, such as the Labour Standards Law (1947) and the Equal Employment Opportunity Law (1986, revised 1999), have served to focus attention on female labour in terms of a debate over the perceived need for the protection of women due to their physiology, while equality in the workplace has gradually been implemented on paper but has been limited in terms of its application and enforcement in practice.

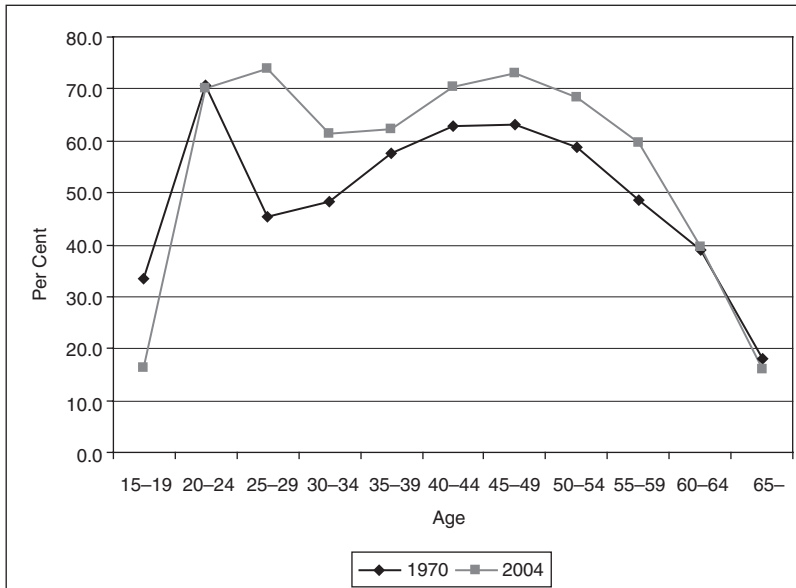
At the social level, mass consumerism in the 1960s and feminist movements in the 1970s expanded women's expectations of personal freedom and purportedly served to free them from the domestic sphere, at the same time as the expansion in economic opportunities in the 1980s fuelled a growing demand for female labour. A culmination of these peaking trends, calls for greater equality, and the economic downturn in the 1990s, have prompted renewed attention on the roles women are to play both in society and in the economy in contemporary Japan. This chapter seeks to bring together some of these recent trends and to highlight key issues surrounding the employment of women in Japanese society today. Over three sections, this chapter will first outline the major trends in women's employment that have taken place during the post-war decades, and then discuss the key issues facing women workers during the last 15 years in Japan.

It ends with a discussion of implications and challenges for the future socio-economic roles of Japanese women.

Female employment and the post-war growth years

The number of women in the Japanese labour force rose rapidly during the post-war growth years, from 18.3 million in 1960 to 27.4 million in 2004 (MHLW 2004: 2). Moreover, there was a significant increase in the number of women working as paid employees, from 5.3 million in 1955 to 22.0 million in 2004 (JIL 2003a: 12 MHLW 2004: 2). While this was in part due to an overall rise in the total number of Japanese workers during these years, including a rise in the number of female workers, this change reflected both an increase in the demand for women workers as economic growth put a strain on existing labour pools, and also an increased supply of females to the labour market as demographic and social trends impacted on the inclination and desire of women to work. As more and more women entered the labour market during these years, they did so no longer predominantly as

Figure 3.1 Female labour force participation rate by age in Japan, 1970 and 2004.



Sources: MHLW, 2002b, 2004.

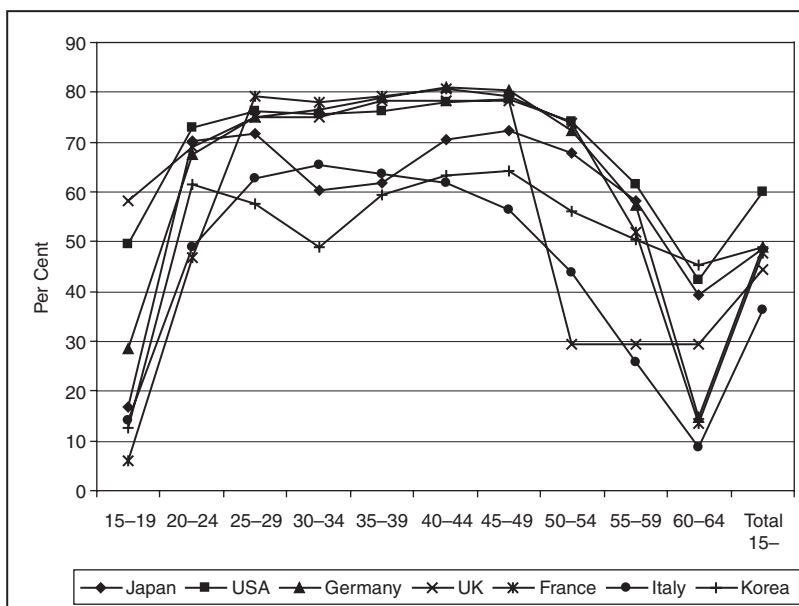
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family workers and agricultural workers but as company employees, particularly in the manufacturing and service sectors, and in 2004 female paid employees constituted 41.3 per cent of all paid employees (MHLW 2004: 4).

A notable phenomenon of the Japanese female labour force that emerged during the post-war years was the so-called 'M-curve' of their labour force participation (Figure 3.1).

When plotted, the labour force participation rate for Japanese women takes the shape of the letter M to represent the phenomenon whereby a significant proportion of women drop out of the labour force for childbearing and childrearing during their late 20s and through their 30s. This M-curve is a post-war phenomenon, developing in the 1950s and 1960s, and has been undergoing some transition since then, as shown in Figure 3.1. The very youngest workers (aged 15–20) have declined in proportion as young women have chosen to stay in education longer and have delayed their entry into the workforce, leading to a steeper first peak in the M-curve. The middle-aged

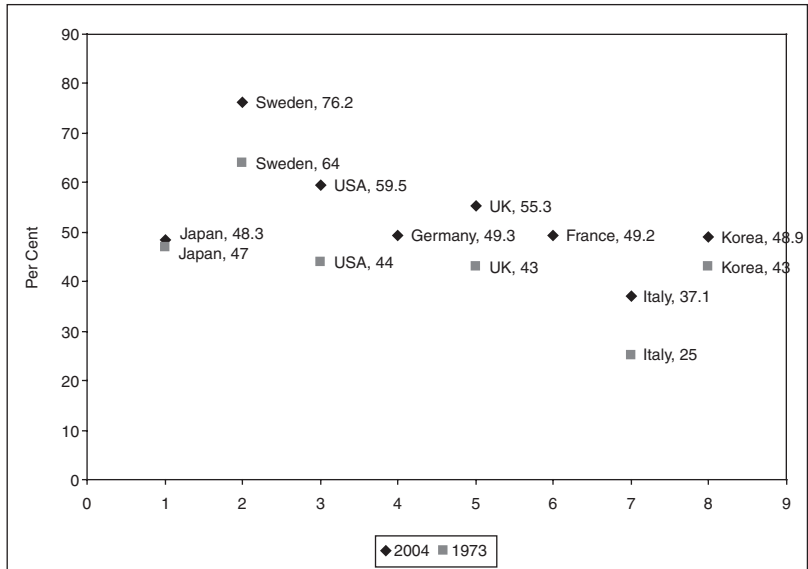
Figure 3.2 Female labour force participation rate by age, selected countries, 2001/02



Source: JILPT, 2004a.

group (those in their 40s and 50s) has increased in size over the last few decades as more women have (re)entered the job market, particularly after their children enter schooling, leading to a rising second peak in the curve. Moreover, Japanese women in general have been choosing to delay marriage and childbirth, have fewer children, and drop out of the labour market in smaller numbers after having children, leading to a distinct shift upward and rightward in the curve. Generally speaking, the M-curve shape of female labour participation was a phenomenon in many industrialized nations, including the USA, until the mid-late 1970s, when it developed into an upside-down U shape similar to that observed for male participation. In Japan and Korea, however, a higher proportion of women have continued to drop out of the labour market during the key child-bearing years, and the M-curve has been maintained, as shown in Figure 3.2. Overall, it can be said that Japanese women participated in the labour market during the high-growth decades (1950s–1970s) at levels somewhat higher than their counterparts in other nations, though this is no longer the case in the twenty-first century (Figure 3.3).

Figure 3.3 Total female labour force participation rate, selected countries, 2004



Source: MHLW, 2004.

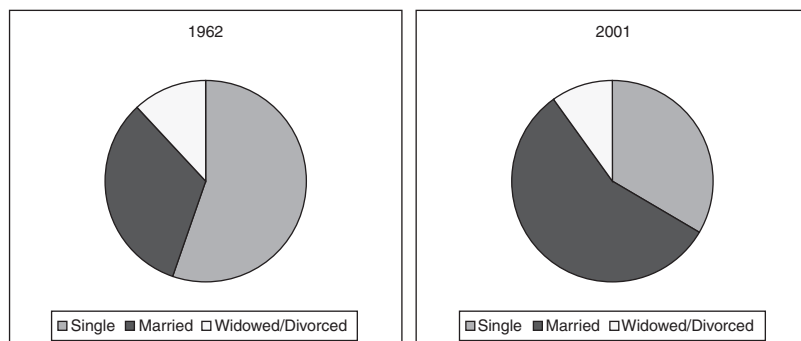
Note: The FLPR is calculated based on a working population of 15–64 years of age.

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It is therefore a myth that the economic high-growth years in early post-war Japan resulted in a majority of Japanese women choosing to be full-time housewives with this leading to a decline in overall female labour participation. In fact, though young females, by remaining in education rather than entering employment, produced some overall decline in total participation figures during these early decades, middle-aged and older married women actually increased their participation in the labour force and did not overwhelmingly become full-time housewives. Due to this changing age structure in the female labour force, the number of married and previously-married women in the labour market comprised two-thirds of the female labour force in 2001, compared to less than half forty years earlier, as shown in Figure 3.4. This contributed not only to a simple ageing of the female labour force but also changed the socioeconomic status and composition of that labour force. Female workers could no longer be thought of as a unified group of young, single women working until marriage, but were gradually a diverse group of women choosing to take up paid employment for a variety of economic and social reasons.

Indeed, this critical shift in the age, marital and socioeconomic status of the female labour force, alongside other long-term changes in the Japanese socioeconomy, has had an impact on the way in which women are employed. An increase in part-time and temporary employment relative to full-time employment has taken place. The phenomenon has been described as a rise in the numbers and proportion of so-called 'non-regular' workers relative to 'regular' workers in the

Figure 3.4 Women in the Japanese labour force by marital status, 1962 and 2001



Source: MHLW, 2002.

Japanese labour market. Regular workers are those who have permanent and full-time employment and are predominantly those workers who have been described in post-war Japan as working within the 'lifetime employment system' (LES). It has always been difficult to quantify what percentage of Japanese employees actually has lifetime employment. In other words, it begs the question of how mainstream (or not) the LES has ever been or continues to be. It was arguable that during the high-growth decades a majority of male employees essentially did have lifetime employment guarantees, due to the 'white-collarization' of blue-collar workers mentioned by authors like Cole (1971), but that a majority of women workers did not have access to the various benefits of lifetime employment. This meant that, broadly speaking, it could be argued that two-thirds of Japanese employees (predominantly male) were in the LES while one-third (predominantly female) were not. However, in recent years, in light of the rise of women workers, non-regular workers in general, and a reported shift away from the LES, this majority may have decreased. Rebeck (2005: 59) suggests that standard (regular) employees made up only 57 per cent of the labour market in 2001.

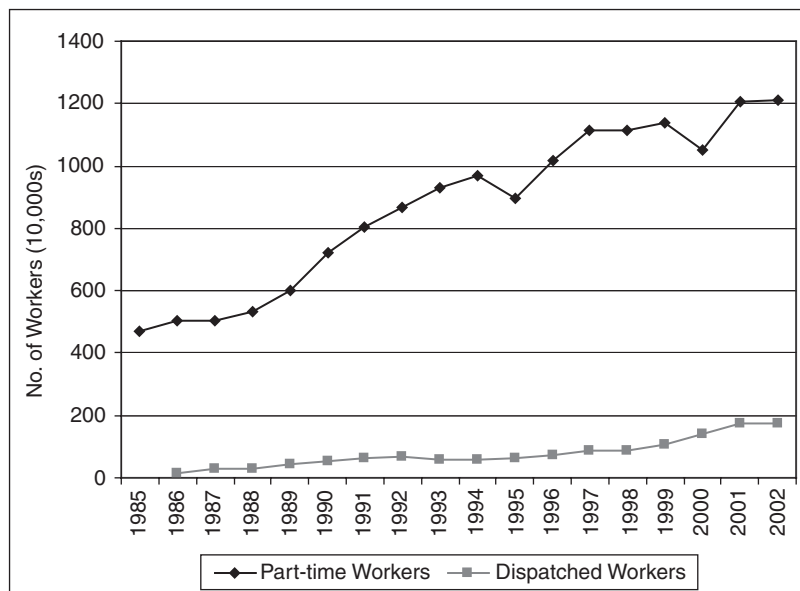
Non-regular workers (also referred to as 'atypical' workers) fall outside the LES classification, in that they are not full-time or permanent and increasingly fall into a range of classifications of worker status in Japan's labour market that includes part-time workers, temporary workers, dispatch workers and 'freeters'.¹ The highest proportion of 'non-regular' workers have traditionally been 'part-time workers' (*pāto taimā* or simply *pāto* in Japanese) and strictly speaking are those classified as working under 35 hours per week, despite the fact that many work at the 34-hour limit, or indeed over that limit once overtime is included (Inagami 2004: 45).² Many part-time workers also do similar jobs with a similar length of service record as their permanent 'regular' counterparts. Critical distinctions lie in their lower wages and lack of access to the extra-wage benefits received by regular workers.

Figure 3.5 shows that the number of part-time workers in Japan has increased from 4.5 million in 1985 to 12.1 million in 2002, while the number of dispatch workers has risen to 1.7 million during the same period.

In percentage terms, this means that 23.2 per cent of all company employees were part-time workers in 2002. Part-time workers are predominantly used in the manufacturing and service sectors of the economy, with retail services the most prevalent form of workplace, followed by factories. Although a gender breakdown is not provided in

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Figure 3.5 Numbers of part-time and dispatched workers in Japan, 1985–2002



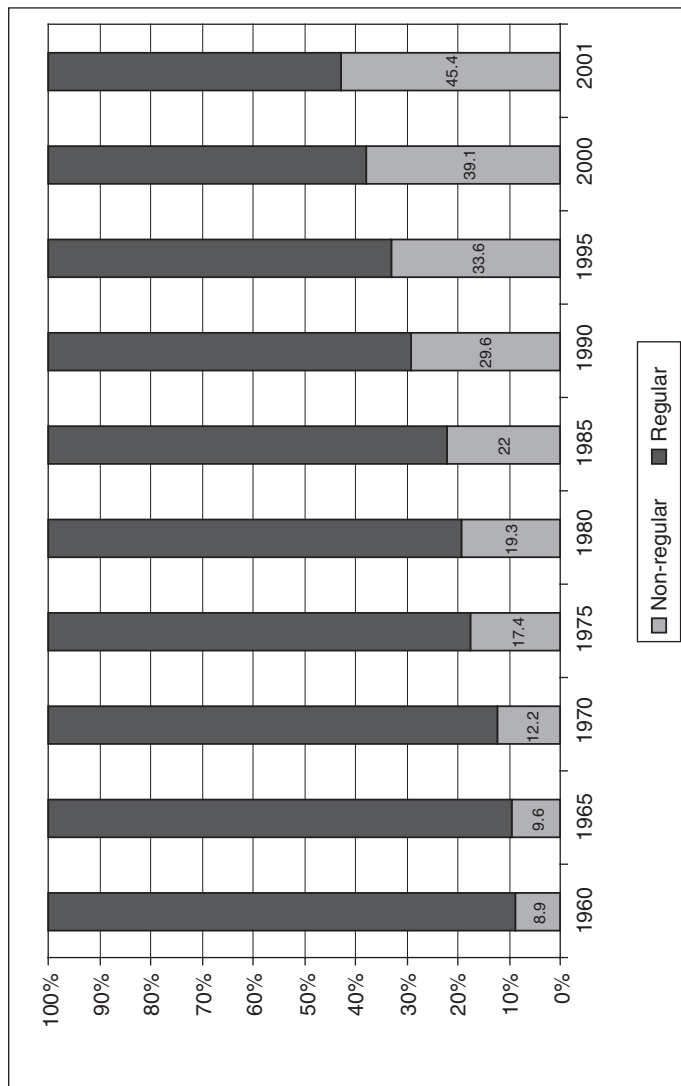
Source: JILPT, 2004a.

Note: This is a line graph on two axes – part-time workers are plotted on the left y-axis and are much higher numerically than dispatched workers, which are plotted on the right y-axis.

the data, the source states that ‘most part-time workers are housewives’, in other words, middle-aged (married) working women (JILPT 2004a: 18). Figure 3.6 shows that the proportion of all female employees who are non-regular by classification has increased greatly from under 10 per cent in 1965 to over 45 per cent of the female labour force in 2001. This reflects not only the key trend of middle-aged housewives entering the labour market but also the way in which the non-regular track for female labour has become entrenched as an employment system for Japanese women.

Although women’s working predominantly part-time is not, of course, unique to Japan, it does have connotations particular to Japan. While it can be seen as a flexible mode of employment and a lifestyle choice for many women in post-industrial economies (including Japan) who wish to maintain a certain work-life balance, particularly in terms of combining parenthood with paid employment, in Japan it has become institutionalized as a system. There are institutional barriers at

Figure 3.6 Proportion of female employees that are 'non-regular' labour in Japan, 1960–2001



Source: JIL, 2003a; MHLW, 2002.

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both the state and company level, for example in the systems of taxation and closed internal labour markets (see next section). These serve to channel and confine Japanese women workers, particularly middle-aged married working mothers, into modes of non-regular employment, rather than allowing them the choice and flexibility of deciding between full-time and part-time employment.

Overall, there have been several key trends for female employment in the post-war growth years, and the role of women workers in Japanese society has dramatically increased throughout these decades. Japanese female workers have increased in total number, as has their diversity, particularly the prominent role played by middle-aged women, so-called 'housewife' labour. Women's employment has also expanded within a widening classification of worker statuses, specifically within the varying categories of non-regular workers. Thus, there has been a substantial diversification in female employment. However, women have been for the most part excluded from the mainstream Japanese (so-called 'lifetime') employment system during the time that it has evolved in the post-war decades. Rather, they have been seen as peripheral workers who are supplementary to the core of predominantly male permanent workers. The Japanese employment system as it has evolved over the last six decades is one that is very distinctly segregated by sex. In many ways there has been both a 'male employment system' and a 'female employment system' in operation in Japan with vastly different rules and benefits. Distinctive gendered spheres of employment were set up in Japanese companies as early as the 1960s, providing separate channels of employment for long-term male employees and short-term female employees. Some practices became infamous – the creation of a large number of uniform-wearing 'OLs' (office ladies) who were expected to retire upon marriage or childbirth; the hiring of female university graduates to perform peripheral and aesthetic support functions such as serving tea in the 1980s; and the (re)employment of middle-aged women on part-time and temporary contracts rather than as full-time employees. Even today, female dispatched temporary workers are often chosen by employers based on their age and appearance (Weathers 2001: 209–10). It is apparent that even within the female employment system itself there is much discrimination between younger single women and somewhat older married women.

My own research on the textile industry from 1945 to 1975 and its role as a key employer of women workers can be used as an example to reveal how these trends came into force at the company and industry

level (Macnaughtan 2005). Indeed, one of the key aims of this research has been to show how and why a distinctive and separate female employment system emerged alongside the better-known mainstream (predominantly male) lifetime employment system in Japan, also becoming established in the early post-war decades.

The textile industry was somewhat unusual in that it had long employed a core of primarily young unmarried women as its main production workforce. However, from the late 1950s and early 1960s employers began to find it increasingly difficult to meet their labour needs from this key labour pool. This was primarily due to a shrinkage in the labour pool of young females as more remained in non-compulsory education, but they also faced increased competition from other growing industries like electronics manufacturing, also seeking to utilize large numbers of female workers. The textile industry began to supplement its core young female workforce with middle-aged females, employing them under a range of 'non-regular' contracts including temporary factory workers, daily workers and seasonal workers.

By the late 1960s textile employers were actually trying to utilize these older women as a full-time core labour force in test factories, in an attempt to better utilize this plentiful labour pool as well as to cut various mounting costs of employing young female labour. However, this strategy failed because textile employers found that their ability to rely on middle-aged, married women as a full-time labour force suffered from a worker absenteeism problem, beyond normal allotted holiday and sick leave absenteeism levels. While the suitability and skills of these older women in performing their job tasks was noted, they were found to be absent from work too often because they were attending to domestic responsibilities. In many ways, this strategy failed because employers themselves failed to come up with a realistic positive approach for how women could successfully balance their working and domestic lives. It also failed because there was a lack of general social encouragement for women to be in full-time labour and be considered workers rather than homemakers, despite an increased demand for their labour in Japan at this time. Women were deemed to still be primarily responsible for the domestic sphere because male employees were required to spend long hours in the workplace.

My research suggests that there was something of a missed opportunity for Japanese women workers to become recognized as a regular labour force at this point in history. It is from this time that both a purposeful segregation of labour by gender and a distinct separation

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within the female labour market itself by age and marital status really took hold. The textile industry was a large employer of women workers at this time and was very much a trend-setter – what it did and how it utilized female labour was looked at by other industries later employing female workers (Macnaughtan 2005: 210–11). Employer strategies and failures such as these had a decisive influence on the nature of the labour market that developed for women workers and played a key role in the development and institutionalization of supplementary and peripheral systems of Japanese female employment. The problems inherent within this system have emerged in greater prominence during the last 15 years and are yet to be faced fully and dealt with across society in Japan today.

Women workers and the current 'post-Bubble' environment

The end of Japan's post-war high-growth decades in 1990 has been well documented, and most commonly referred to as the collapse of the bubble economy (see Alexander 2002; Katz 1998). The so-called 'lost decade' of the 1990s seemed to herald that great changes were imminent for many of Japan's economic and business systems, not least for the Japanese employment system. Rebeck (2005), however, suggests that despite some key incremental changes to employment, in many respects there has been little fundamental change to the way in which the employment system operates in Japan. In terms of female employment, I believe that, particularly over the last decade, the crux of the matter revolves around the question of how to deal with a system that, not unlike the male-centred LES, became entrenched and institutionalized (seemingly immobile) within the high growth decades, but may no longer be valid and is at the very least in need of a major overhaul in the post-bubble era. A prominent issue is the system of non-regular labour and within that the predominant classification of part-time workers. How should the various stakeholders approach employment in Japan in the twenty-first century faced with the apparent 'demise' of the previously applauded LES and with potentially one-third to one-half of its labour force employed outside the category of permanent or regular worker?

On one hand, the presence of an expanded non-regular labour force can be viewed as a positive trend. There is a need for greater flexibility in Japan's labour market, to give workers the opportunity to pursue diverse career paths and to allow companies to reduce institutionalized inefficiencies within their workforce structures. Non-regular or con-

tract workers can facilitate a more mobile labour market, thereby putting pressure on the closed internal market operating in many Japanese companies by providing more and more workers with the opportunities to switch companies and change career path should they so desire. The effects of the increase in this type of worker, not least any impact it has on loosening the LES as a 'core' feature of the Japanese employment system, should make it easier for all workers, regardless of age and gender, to move around within the labour market. The very recent increase in non-regular employment amongst Japan's youngest working cohorts, including young males, may also serve to focus greater attention on non-regular employment. For example, males comprised 24 per cent of all dispatch workers and 45 per cent of all 'freeters' in 2002 (MHLW 2003a: ch. 2, S2). Even though, as Inagami (2004) suggests, an increase in casual employment may not inhibit long-term employment, as the average length of service of even casual workers continues to lengthen, it will have a strong impact on the LES itself. As the proportion of the labour force that is comprised of non-regular workers continues to rise, it could serve to challenge the institutions of the 'traditional' Japanese employment system and provide greater autonomy and alternatives for individual workers. On the other hand, this issue brings the dilemma of how to reap the benefits of greater mobility without it being at the expense of these more 'flexible' workers, particularly women, being unprotected, exploited and discriminated against (see Osawa 2001).

The emphasis in Japan continues to be one which uses non-regular labour, particularly part-time female workers, as peripheral or as a corporate cost-cutting measure rather than as a means to bring women into the core workforce and improve the overall labour market or use women workers in a positive or constructive manner. For example, adapting the core employment system to accommodate women, and responding to growing societal concerns about long hours being disruptive of the work-life balance, would create a healthier work-life balance for both men and women. Although there do not appear to be any firm affirmative action plans for Japanese companies to raise gender equality in the workplace, a survey in 2000 by the Ministry of Health, Labour and Welfare (MHLW) questioned the actions of companies. The results revealed that 88.6 per cent of companies 'do nothing' to appoint women to higher positions, 89.3 per cent 'have not established a plan to utilize women's labour' and 84.7 per cent 'do not educate middle managerial staff and male employees on the importance of utilising women's labour' (Kanatani 2001).

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My own research has revealed that even at foreign affiliate companies (*gaishikei*) in Japan, where there is deemed to be a greater sense of awareness of gender equality in the workplace and a greater attempt made to tap into a pool of under-utilized and well-educated women in the labour market, there is still a large gender divide because of the affiliate's very operation in the Japanese market. At the affiliate of one global consultancy firm, the HR manager revealed that although the targets for recruiting new graduate consultants are set at a gender equal 50–50 in Europe, the USA and Australasia, in Japan they are set at 85–15 (male–female). Another HR manager at the Japanese affiliate of a global bank revealed that they had an attrition problem in that good-quality Japanese women workers tended to leave the company at a certain point in their life-course (predominantly in their thirties). However, when questioned, the HR manager admitted that (although it would probably make sense to do so) they had not as yet investigated how and why this problem was occurring.³ In many respects, these examples suggest that by virtue of operating in the Japanese labour market, there is a lower expectation of gender equality by employers, rather than any solid attempts to (re)address such issues, signifying the ongoing rigid nature of the internal labour market in Japan.

Institutional barriers to gender equality in the workplace also operate at the state level. Discrimination between non-full-time and full-time workers is not yet subject to elimination under the revised Equal Employment Opportunity Law, and the idea of 'equal pay for equal work' within the job evaluation system is not yet stipulated within Japanese employment law. The average salary of part-time workers – because of their status classified as non-regular workers even if they are essentially doing a full-time role – was 66.9 per cent of the average female full-time worker's salary in 2000 and 44 per cent of the average male full-time worker's salary.

Much of this wage differential is traceable to the taxation system. The non-regular employment of housewives (70 per cent of part-time workers are married women) is influenced largely by the tax system and their household income. These housewife workers (and their employers) adjust their income to match what is allowable under Japanese law, so that their income does not exceed the requirements for their husband to receive a spousal allowance. If a married woman's income remains below the level of 1.03 million yen per year, then she is exempted from income tax and her spouse also benefits from a special deduction. A combination of the taxation system, employer

policies and the economic climate is no doubt behind a 2001 survey result that suggests that the number of 'involuntary part-time workers' has been increasing in recent years (MHLW 2003a: fig. 33).⁴

The pension system in Japan is also currently under review, as not only does it currently only provide full benefits for those workers within the LES, but it is suggested that due to the ageing of Japanese society the pension system will become bankrupt in the foreseeable future if changes are not made. Pensions need to be more flexible and mobile to allow all workers (regardless of gender) to work for different companies throughout their working lives and also cater for those who drift in and out of the labour market and may work part-time at some stage during their career. Worldwide, the decision of married women on whether to enter paid employment is found to be particularly influenced by tax and social security systems in their respective countries. OECD studies have suggested that where married women are treated, in terms of taxation, as equivalent single earners rather than as second earners (i.e. linked to their spouse's income), their rates of labour force participation are higher. While problems such as the tax limits for married women will still remain for the foreseeable future, the profile of Japanese women as workers has become more visible in recent decades and the government has been making some policy attempts to promote a more flexible, gender-equal labour market.

In 1986 the Equal Employment Opportunity Law (EEO) was enacted by the government in an attempt to encourage companies to give equal treatment in the workplace to women. Many Japanese companies side-stepped this legislation by creating distinctive career tracks largely along gender lines. Male employees were overwhelmingly put onto a management track (*sōgō shoku*) while female employees were largely put onto a clerical track (*ippan shoku*). The EEO was subsequently strengthened in 1999 in an attempt to directly prohibit discrimination against female workers in recruitment, hiring, assignment, and promotion (the original version had simply instructed employers to make efforts in this direction).⁵ The revision also established rules for the prevention of workplace sexual harassment and abolished some of the more protective laws proscribing female employment and originating from the 1947 Labour Standards Law. While Weathers (2005) notes that the number of companies utilizing tracked career systems fell to 46.7 per cent in 2003, this is not necessarily a positive trend as many are substituting clerical-track female employees with non-regular female workers instead. Moreover, he notes that the number of SMEs

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using the dual-track system has actually risen between 2000 and 2003 (Weathers 2005: 4).

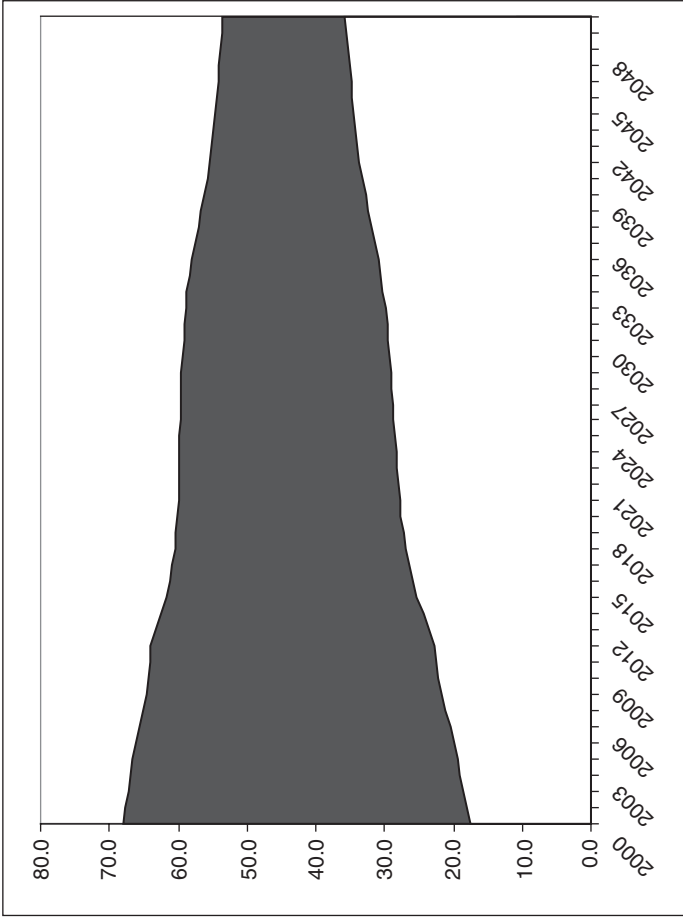
With the increase in the numbers of women in the workforce has come a greater concern for societal issues within the workplace, particularly a concern for maintaining a balance between work and home life, within the overall creation of a gender-equal framework. This has suggested knock-on effects and benefits for male workers too, in line with younger generations of Japanese men who are reportedly less willing to devote their lives to their career at the expense of their families, home life and leisure time. Legislation such as the 1992 Childcare Leave Law (legislation for workers to take time off to care for children) and the 1995 Family Care Leave Law (legislation for workers to take time off to care for family members, particularly elderly members) have been enacted to provide leave that both sexes are eligible to apply for in order to aid a more flexible work–life balance. However, so far it is overwhelmingly women who have formed the majority of workers taking advantage of these types of leave. In 2002, 64 per cent of working women took child care leave after giving birth, while only 0.33 per cent of spouses of working women who gave birth did likewise (JIL 2003a: 89). This compares, for example, with the 71 per cent of men in the UK who took paid paternity leave in 2005 (Thompson *et al.* 2005: 8). By way of comparison with the UK in this regard, the targets for paternity leave take-up are currently set at 10 per cent of fathers in Japan and 80 per cent of fathers in the UK. Thus, the gender-equal framework is at this stage only a model and not an actual pattern of activity in Japan. Change can only happen if it is accepted by both males and females themselves. Japanese men, in general, are still reluctant to re-evaluate their work life-course, become more career mobile or indeed take their full holiday entitlement, let alone to apply for new arrangements such as childcare leave. As long as the predominant expectation and responsibility for the domestic household and child-rearing continues to lie at the feet of Japanese women, there will not be a significant knock-on change in the structure of female employment.

The issue of childcare is a prominent and important one affecting the contemporary situation of working women. It is not unique to Japan and remains an unresolved issue that has faced working women ever since industrialization and the increase in non-agricultural labour separated work and home into two separate domains of activity. Childcare-related activities represented the key obstacle to the full-time employment of women highlighted in my research on the textile industry's strategy of test factories in the 1960s (Macnaughtan 2005:

128). Personal interviews I conducted with Japanese working women in January 2003 revealed that one of the main challenges to women continuing their career was still felt to be the responsibility of child-rearing and the problem of childcare. In a 1996 survey, 76.3 per cent of women cited child-rearing responsibilities as the key factor discouraging or preventing women from working on a continuous basis. The custom of women workers resigning when they married or became pregnant was also cited by 35.0 per cent of women as a discouraging factor, while 27.5 per cent cited a 'prevailing mentality' in the workplace that expects that women will resign after a short time or are less capable than men (JIL 2003a: 81).

There are good public childcare schemes available in Japan, though commentators call for increased facilities, greater affordability and a more market/user oriented approach (Roberts 2002: 58). There are also examples of innovative private initiatives with regard to childcare. The largest temporary employment agency Pasona established childcare centres in 1991 in order to assist working mothers desiring and undertaking employment placement through their agencies, and as of January 2003 was operating some ten centres catering for up to fifty children each in the Tokyo area.⁶ However, societal expectations that mothers should stay at home and raise children still hamper women's ability to continue working after childbirth should they desire to do so. A 2003 research report by the Japan Institute of Labour noted that the '3-year old child myth' (the view that children should be brought up by their mother until they become three years old) is 'deeply rooted' in Japanese society and is a 'serious barrier to women working' (JIL 2003b: 19–21). Indeed, such expectations reinforce the notion that women (post-baby) can only be relied upon within the peripheral non-regular system of employment and are not suitable for the full-time employment demands of Japanese companies. In 2000, among the 23 OECD member countries Japan ranked 19th on an index for 'degree of work ease for women', which was a drop from 16th place in 1990 (Kanatani 2001). While the increasing economic role of women has a gradual (albeit somewhat slow) effect on the structure of the Japanese labour market, particularly in terms of its overall flexibility and ability to make provision for a more diverse workforce, it is certainly true that existing structures and attitudes are still serving to keep working women in a predominantly peripheral and non-regular system of employment. The economic and social consequences of not dealing with this are only expected to worsen in the future. Not least, the expectations on women's roles, both domestically

Figure 3.7 Projection of working-age population in Japan, 2000-2050



Source: NIPSSR, 2002.

Note: Calculations are based on a working population that is 15-64 years of age, and on a 'medium variant' projection of overall population trends.

and economically, are significant when asking questions of Japan's employment future.

Women, work and society in Japan: the future?

Japan's population peaked in 2005 (at approximately 127 million) and has begun to decrease as birth rates continue to decline (while the elderly population increases). The birth rate has declined during the post-war years from 4.32 in 1947 to 1.28 in 2004 (JILPT 2004a: 90). The working population is already diminishing in both real and proportional terms, and this trend is expected to continue, leading to an overall shrinkage in the proportion of the population that is of working or productive age (Figure 3.7). Therefore the burden of supporting both younger and older groups in society, which predominantly falls on the working-age population, will increase and become a serious socioeconomic problem.

It will become increasingly difficult, for example, to generate enough revenue to meet welfare and medical payments for the increasing number of elderly people (Chapple 2004: 2). The population dependency ratio is an index used to express the level of support required of the working-age group, by comparing the relative size of the younger and older populations versus the working-age population (15–64 years of age). This working-age middle group is declining and is expected to be just over a mere half of the population by 2050. As shown in Figure 3.8, Japan's overall dependency ratio is projected to increase from the current 47 per cent to 87 per cent by 2050 due to a decline in the relative size of the working-age population (NIPSSR 2002: 5).⁷ As the population ages, a decrease in the number of young workers in the overall labour pool will be observable. This trend means that Japan will have a higher dependency ratio by 2050 than any other major industrial nation (Figure 3.9). In some respects, the decline of young labour, contributing to this trend, has been overlooked in the light of 1990s economic stagnation and higher unemployment rates, but is expected to emerge as a much larger problem in the future.

The increased use of women workers as a permanent and proactive group within the labour market would help alleviate the projected future labour burden, particularly as the alternative options of raising birth rates and increasing immigration remain problematic in Japan (see Chapple 2004). The size of the working-age population is calculated on the current labour participation rates of women. Should women increase their participation in paid employment, then the

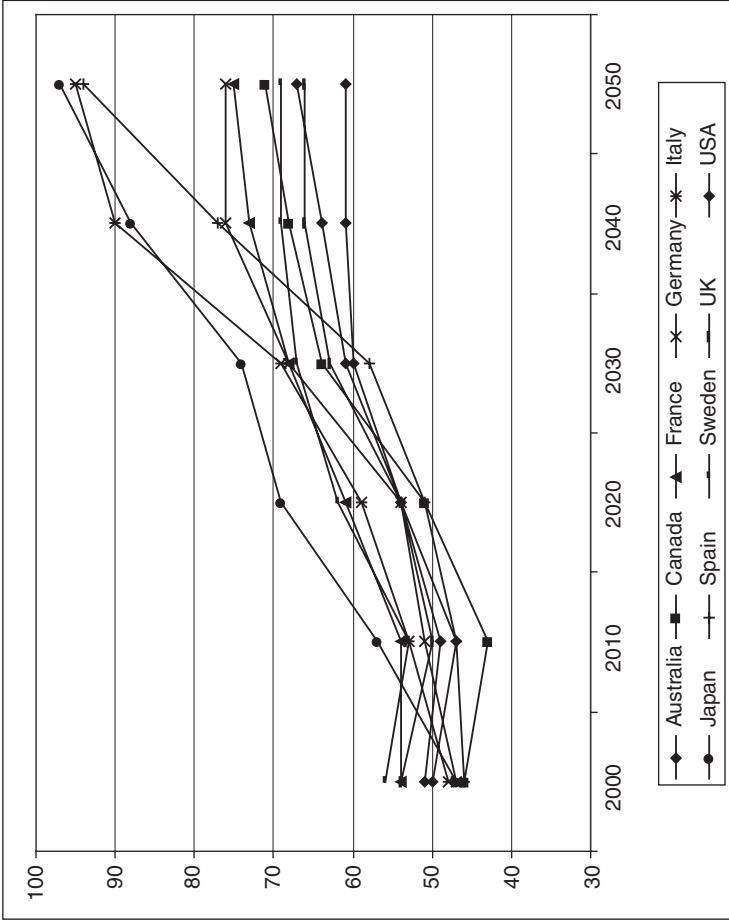
Figure 3.8 Projected total dependency ratio (per cent) in Japan, 2000-2050



Source: NIPSSR, 2002.

Note: Total Dependency Ratio (combining both children and old age dependents) is based on a definition of the working or productive age range of 15-64 years of age. Calculations are based on a 'medium variant' projection of overall population trends.

Figure 3.9 Dependency ratio (%) projections, selected countries, 2000-2050



Source: UN, 2005.

Note: Calculations are total dependency ratios (children and elderly) based on a 'medium variant' projection of overall population trends.

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labour shortage and burden on the working-age group of the population (dependency ratio) will lessen. Currently, the labour force participation rate of Japanese women falls below that of their US counterparts (see Figure 3.2), so there is certainly scope for them to be raised to an equivalent level. Rebeck (2005) calculates that if the proportion of women who currently worked part-time were at the US level (a decrease from 42 per cent of all women workers to 20 per cent) then this would increase female labour input by 10 per cent. Similarly, if the female labour participation were to increase to the USA level (from its current level of 67 per cent to 77 per cent) this would provide an increase of 15 per cent in female input. Combined, this gives a total increase in female input of 26.5 per cent, which would represent around an 11 per cent increase in the overall Japanese labour force (Rebeck 2005: 166). This increase could therefore alleviate projected labour problems. However, any potential increase in female labour participation could be constrained if society and the government were to expect women (in the customary expectation of their roles as daughters, wives and daughters-in-law) to care for older people to a greater extent as the population continues to age.

As employment practices diversify, new rapidly expanding types of flexible labour will come to prominence and may demand greater attention from government and employers. Non-regular workers constituted 34.6 per cent of all Japanese workers in 2003, having increased from 14.8 per cent of all workers in 1990, and the figure continues to rise. In terms of gender, the proportion of all female workers who were non-regular employees reached 45.4 per cent in 2001 (up from 29.6 per cent in 1990) compared with 10.8 per cent of all male workers in 2001 (up from 4.8 per cent in 1990) (MHLW 2003a: fig. 34). The proportion of all Japanese workers who are now classified as non-regular labour is therefore significant, particularly in the case of female labour, and represents over one-third of the Japanese labour force. This problem has been recognized and some preliminary initiatives put in place. The 1993 Part-Time Workers' Employment Management Law was designed to improve the treatment and working conditions of temporary and part-time employees and the Manpower Dispatching Business Law (1986) was revised in 1999 in an attempt to further secure working conditions for temporary workers. However, most commentators agree that there is still a long way to go before the rapidly expanding numbers of non-regular workers in the labour force acquire rights and benefits alongside regular workers. If their status was to increase to that of their counterparts in the UK, for example, this would require the

extension of social security benefits, more specific job descriptions and better training and education opportunities. Existing legislation such as the Childcare Leave Law would also need to be extended to part-time workers. As they grow numerically in the labour market, non-regular workers may demand a greater degree of power and equal opportunity for themselves.

The numbers of non-regular workers are expected to increase rapidly in the future, particularly if currently prohibited medical and blue-collar occupation areas for the placement of temporary dispatch workers are further deregulated. At present the 1999 revisions of the Manpower Dispatching Business Law prohibit the dispatch of temporary and specialist workers to the five sectors of dockyards, construction, security, nursing and other medical fields, and manufacturing. Given the ageing trend of the population, health care and care of the elderly are potentially huge fields of future employment particularly for female, dispatched and even immigrant workers, should the government revise current regulations. Pasona company forecasts suggest that, while the temporary labour dispatching business has grown rapidly since the late 1980s, it is at present tiny compared to, for example, the US industry. The US temporary staffing market stood at 5.5 times larger than the Japanese market, while the gap was 20 times larger in the US in the placement and recruitment market.⁸

While it is evident that changes have taken place in Japan's employment system over the last two decades, the pace of change is slow and there is still a long way to go if a more open, flexible and equal labour market is really to be achieved. Indeed, it is not yet clear whether Japanese planners and employers really have a more flexible labour system as a key goal, or rather that a system that allows for more flexibility may simply arise in some format out of more general acts of deregulation. It is also debatable to what extent the permanent or life-time employment system is on the way out in Japan. A large proportion of Japanese labour and management still maintain a deep attachment to the long-term employment system and its merit of stability. It therefore continues to have a strong presence, and even a degree of inertia, and elements of it will remain intact for some time. The inertia of the LES has prompted many Japanese women in recent years to seek out jobs in foreign affiliate companies (*gaishikei*) in Japan (Kelsky 2001: 114–17). In my interviews with female employees of *gaishikei* conducted in January 2003, many stated that they had deliberately sought job opportunities in foreign affiliates because they felt they had gone as far as they could go or reached some kind of 'glass

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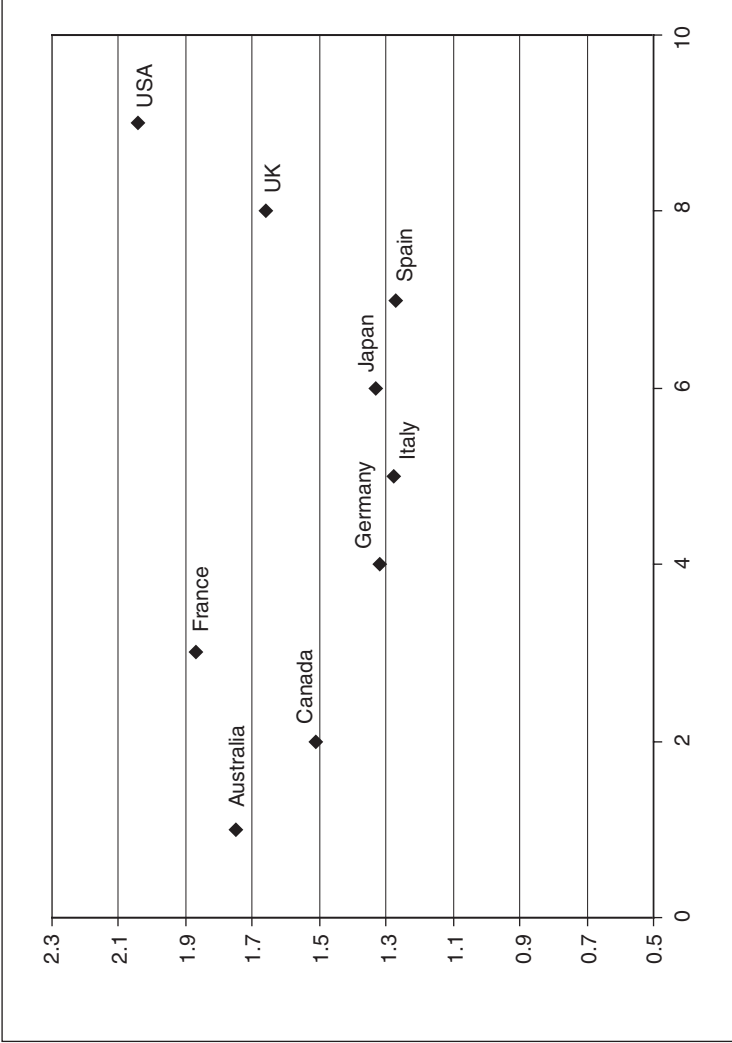
ceiling' in their previous employment at Japanese companies. However, many (as yet childless) women still expressed their concern as to how easy it would really be to combine work and childcare in the future.⁹

The economic and productive roles of women in Japanese society are still overshadowed by a concern for their reproductive role, particularly in light of Japan's population trends. Japanese policy makers frequently cite the declining birth rate as the key concern (rather than increased longevity) and are eager to blame women for this demographic trend, rather than concern themselves with making it easier for women to combine career and children. In extreme cases this manifests itself in discriminatory comments and political gaffes. Recently, one LDP lawmaker commented, in a debate on Japan's declining birth rate, that 'at least gang rapists had a healthy appetite for sex', while another politician suggested that 'childless women should be denied welfare payments in old age' (BBC 2004). While such statements are rare, they do underline the ongoing reluctance of Japanese society to reconcile the various roles women have to play both within the household and economy in the twenty-first century. Japan is not the only OECD country with an ageing population and a declining birth rate. Germany has a similar birth rate to Japan, while both Italy and Spain have even lower birth rates (Figure 3.10), and population dependency projections on a par with Japan (Figure 3.9).

Nor is Japan alone in having high proportions of part-time workers amongst the female labour force. Japan has higher levels than France, Italy, Canada and the USA, but similar levels to Germany, the UK and Australia, and lower levels than the Netherlands, and Switzerland (MHLW 2003a: fig. 39). However, the difference in Japan lies in the way in which part-time and non-regular employment is an entrenched or institutionalized feature of the labour force structure, and often, in light of the tax limit barriers, a non-voluntary system particularly for married women, compared to a feature that, at least to some degree, allows for flexibility and choice in other labour markets.

Women workers need to be recognised as a distinct and mainstay source of labour in the Japanese market, because it is apparent that their participation in the labour market is both here to stay and needed even more so in the future. To comply with international labour regulations, part-time workers (which are not only women, though predominantly) must be equally rewarded for their contribution to the Japanese economy and assessed in any proactive establishment of future employment policy and legislation. In order to apply principles

Figure 3.10 Fertility rates, selected countries, 2000–2005 (average)



Source: UN, 2005.

Note: Calculations are total fertility rate (children per woman) based on a 'medium variant' projection.

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of employment equality within the Japanese labour market, women workers have to be identified by individual experience, skill, ability and independence rather than by gender, age, marital status and economic dependency on their spouse. Moreover, the balance between work and home life and between economic and domestic roles would require a shift in perspective away from the currently sex-segregated arena to one which recognizes that issues such as childcare and care of older people are issues of concern not just for women but for men as well. The labour shortage and dependency burden that is looming on Japan's horizon may not materialize if Japanese women were given incentives to increase their participation in the labour market. However, for this to be a realistic and viable possibility, employer practices and government policy need to ensure they could provide women with better job prospects, wage levels, childcare options, career prospects and pension schemes.

When analysing Japan's current employment trends and predicting any future path, there are many questions still to be answered. Are the key shifts in employment that are currently occurring – in particular, the rise in numbers, proportion and diversity of non-regular workers – driven with any greater momentum from either the supply or the demand side? In other words, now that Japan is a demand-deficient economy, are economic measures such as labour cost cutting by firms simply increasing the demand for temporary or part-time employees? Might this demand for a non-regular labour force decrease and allow for a return to the status quo of the LES should Japanese economic growth strengthen in the future? Alternatively, does the growing diversity of the supply of non-regular workers carry enough momentum in itself to challenge institutional structures? Will we see, for example, greater call for and extension of rights and access for non-regular workers and a desire for greater flexibility and career mobility by younger cohorts as they move through their working years? It is probable that the latter trend will prevail as it has in other post-industrial labour markets, but it will be a very slow process in Japan as the inertia of the LES seeks to constrain any new path.

It remains to be seen how quickly employment in Japan will move in any substantive direction in terms of gender equality, or indeed whether this will happen at all. The current employment system, as it has evolved over the last six decades, is one that is very distinctly segregated by sex. In many ways there has been both a 'male employment system' and a 'female employment system' in operation in Japan with vastly different rules and benefits.¹⁰ Indeed, even within the female

system itself there continues to be much discrimination between younger single women and older married women. It would be more advantageous, in terms of both economic efficiency and social equality, if there was fundamental transition in the Japanese employment system – where there is no longer two segregated systems and indeed where there is less of an employment ‘system’ at all but rather a labour market that allows for greater access and flexibility for all workers and is driven primarily by skill.

Notes

- 1 Part-time workers are defined as persons working an average of 1–34 hours per week. Dispatch workers are workers supplied/dispatched by temporary employment agencies (includes ordinary and specialized temporary workers). Dispatch workers are a relatively new phenomenon, defined by the Manpower Dispatching Business Law of 1986. ‘Freeters’ are defined as young graduates ‘freely’ moving in the labour market and not committed to any one employer but doing temporary or part-time (*arubaito*) jobs.
- 2 Part-time workers in Japan are defined by long working hours. Their classification of hours compares with, for example, France where a 35-hour working week is mandated in law as the maximum full-time hours for a regular worker.
- 3 Fieldwork interviews, various foreign affiliates, Tokyo, January 2003.
- 4 The definition for non-voluntary was ‘workers who work between 1–34 hours per week although they desire to work 35 hours or more’. The majority (86 per cent) of those working part-time ‘involuntarily’ were women. A detailed breakdown of reasoning was not provided.
- 5 For more on the EEOL, see Imai (1995) and Hanami (2000).
- 6 Fieldwork interview, Pasona, 31 January 2003, Tokyo.
- 7 Another way of expressing this is as follows. If the dependency ratio is at 50 per cent, this implies that there are two working age persons supporting every one dependant (young and elderly person). As the ratio rises above 50 per cent, there are fewer workers supporting a higher number of dependents.
- 8 Fieldwork interview, Pasona, 31 January 2003, Tokyo. (Figures are as of FY March 2001.)
- 9 Fieldwork interviews, various foreign affiliates, January 2003, Tokyo.
- 10 See Macnaughtan (2005) for a discussion of how the female employment system evolved in the early post-war decades.