

## **Economic Empowerment of Women as the Third Arrow of Abenomics\***

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*With the strong policy goal of resuscitating Japan's sluggish economy, Prime Minister Abe Shinzo has advocated an increase in female employment as a core part of his ambitious economic revitalization strategy, a plan called "Abenomics." This paper examines a series of Abe government's policy initiatives for increasing female employment, ranging from the work and life balance programs and the government policy recommendations to the public and private sectors to the regulatory measures on diversity in the workplace. By doing so, it aims to analyze the ways in which the Abe government has endeavored to achieve the economic empowerment of women in Japan and the business community has responded to the pressure of the government policy initiative for female employment over the past few years.*

**Keywords:** *Abenomics, womenomics, female employment, work and life balance, diversity in the workplace*

### 1. INTRODUCTION

In the face of recent socio-demographic challenges, represented by rapidly declining fertility rates and an aging population, Japan, which was well-known as the male breadwinner model, has begun to focus on increasing female employment in the labor market in order to solve the problems of labor shortage, sluggish economic growth rates, and the mounting costs of social welfare programs. In particular, Prime Minister Abe Shinzo (2012–present), who came back to power in December 2012 by defeating the Democratic Party of Japan (DPJ), pledged to advance the improvement of women's role in the workplace with the goal of creating a society where "all women can shine" under the rubric of his ambitious economic revitalization strategy, a plan called "Abenomics." By making an explicit linkage between Japan's economic revitalization strategy and an increase in female employment, he strongly urged the business community to embrace the idea of "womenomics" through formal and informal policy tools during the past few years.

In this paper, I will examine the Abe government's policy drives for increasing female employment, focusing on the enhancement of diversity in the workplace, the career development of female workers, and the development of social infrastructure for female employment. By doing so, this paper will analyze the characteristics of the Abe government's policy initiatives and the political interactions between the government and the business sector in the process of introducing a set of new rules and regulations, especially in the area of female employment. In particular, it will evaluate the effects of the centralization of policy-making on the political process and outcome of female employment policies, and the patterns of policy deliberation and negotiation between the government and the business sector. This paper points out that the centralization of policy-making has empowered the role

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of the top political leadership in drafting the bill, leading to more extensive policy changes. Meanwhile the patterns of policy deliberation and negotiation between the government and the business sector centered on continuous incremental bargaining have facilitated the voluntary action of the business sector to take preemptive measures, as opposed to merely responding to the imposition of strict regulatory changes from the top-down.

This paper proceeds as follows. The second section will outline the contents of Abenomics, the linkage between Japan's economic revitalization strategy and female employment, and the current situations of the economic empowerment of women in Japan and its comparison with those of other advanced countries. The third section will elaborate on the Abe government's numerical target of female employment policies. In the fourth section, I will examine a series of the government policy initiatives for increasing female employment, focusing on the policy initiatives proposed by the three government agencies, the Ministry of Economy, Trade, and Industry (METI), the Ministry of Health, Labor, and Welfare (MHLW), and the Gender Equality Bureau under the Cabinet Office of Japan. In the fifth section, I will analyze the ways in which Japan's business community has responded to the pressure of the government policy drive for increasing female employment. The conclusion section will briefly evaluate the effects of the Abe government's female employment policies on the economic empowerment of women and its limitations.

## 2. ECONOMIC EMPOWERMENT OF JAPANESE WOMEN IN COMPARATIVE PERSPECTIVE

### 2.1 Increasing Female Employment in the Labor Market

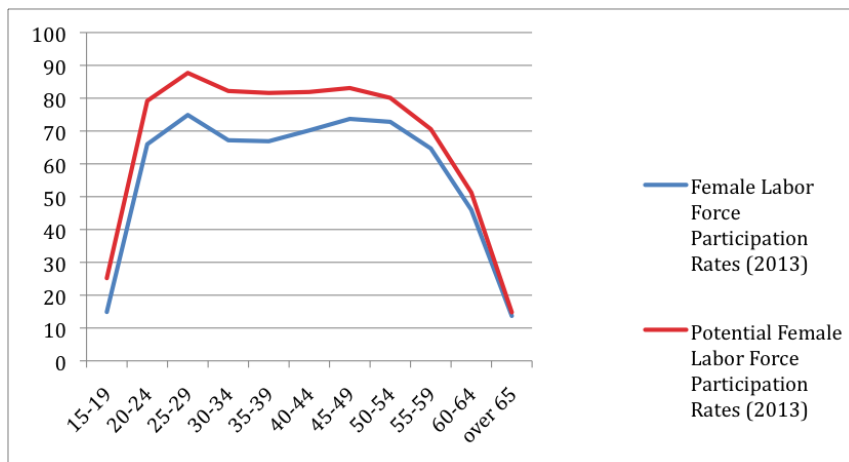
The Abe government (2012–present) proposed a very ambitious economic revitalization strategy, so-called “Abenomics” that is composed of the three arrows of aggressive monetary policies, flexible fiscal policies, and economic growth strategy, with the goal of fighting Japan's two-decade long economic recession and promoting sustainable economic growth. By announcing the introduction of qualitative and quantitative monetary easing (through the purchase of government bonds by the Bank of Japan) with the numerical target of a 2% inflation rate (on April 3, 2013), the Abe government aimed to overcome Japan's protracted deflation (Inoguchi, 2014: 102–103). In addition, on January 11, 2013, the government decided to utilize the supplementary budget for the fiscal year of 2012 in order to boost its economy under the guideline of the “Emergency Economic Measures for the Revitalization of the Japanese Economy” (Cabinet Office of Japan, 2013a: 2). While the first two arrows of Abenomics place much emphasis on the improvement of macroeconomic conditions, the third arrow of Abenomics encompasses a wide array of social and economic policies (e.g., human capital investment, technological innovation, Trans-Pacific Partnership, and local revitalization programs) that would bring forth Japan's sustainable economic growth by promoting private investment, increasing labor productivity, and boosting overseas and domestic demands. In particular, the Abe government has argued that the economic empowerment of women in the Japanese economy, which is represented by increasing female employment in the labor market, is one of the top policy priorities for its economic revitalization strategy.

As shown in Table 1, Japan's female labor force participation rate was not as high as those of other advanced industrialized countries (especially the Scandinavian countries). In

**Table 1.** Female Labor Force Participation Rates in Selected OECD Countries (2013)

Country	FLFP (%)
Australia	70.5
Canada	74.7
Denmark	75.6
Finland	73.5
France	66.9
Germany	72.6
Italy	54.3
Japan	65.0
Korea	55.6
Netherlands	74.6
New Zealand	73.0
Norway	76.1
Spain	69.7
Sweden	78.8
Switzerland	78.0
UK	66.4
US	67.2
OECD	62.6

Source: OECD Stat.Extracts ([http://stats.oecd.org/Index.aspx?DataSetCode=LFS\\_SEXAGE\\_I\\_R](http://stats.oecd.org/Index.aspx?DataSetCode=LFS_SEXAGE_I_R), accessed March 1, 2015).

**Figure 1.** Japan's Female Labor Force Participation Rates and Potential Female Labor Force Participation Rates (2013)

Source: Japanese Ministry of Internal Affairs and Communications, "Labor Force Survey" (Recited from MHLW (2014b: 6)).

addition, an M-shaped curve of Japan's female labor force participation rate (illustrated in Figure 1) represents career interruptions of the female workforce in their late 20s and early 30s because of marriage, childbirth, and child rearing. Considering that the institutionalization of Japan's strong internal labor markets is centered on permanent employment practices and seniority-based wages, such a pattern of female employment indicates that a majority of middle-aged female workers who return to the labor market in their late 30s and early 40s are more likely to be hired on jobs with precarious employment contract terms, low wages, and poor working conditions (e.g., temporary, fixed-term contract, or part-time positions). For the government, the activation of around 3.15 million females in the age group of 30–34 and 35–39 who wish to work, but not currently participating in the labor market has been regarded as an imperative to boost its economic growth rates (MHLW, 2014b: 6).

While Japan's policy-makers have addressed the importance of female employment to boost its economy, international leaders, international organizations, and international financial companies have also highlighted the necessity of increasing female employment to revitalize its sluggish growth rates. For instance, in her address at the APEC Women and the Economy Forum in September 2011, Hilary Clinton, the then-US Secretary of State, claimed that if Japan's female labor force participation rate increased to its male labor force participation rate, this will lead to a 16% increase in Japan's GDP (METI, 2013: 5). Similarly, the American Chamber of Commerce in Japan has strongly supported the empowerment of women in Japan's economy as shown in the 2014 US-Japan Council-American Chamber of Commerce in Japan Women in Business Summit.<sup>1</sup> In October 2012, the IMF also pointed out that if Japan's female employment rate was raised to the level of that of G7 (excluding Italy and Japan) or Northern Europe, GDP per capita will increase around 4% and 8%, respectively (MHLW, 2014b: 63; Okada, 2014: 3). Similarly, Goldman Sachs has argued in its report that if Japan's female employment rate (62.5% as of 2013) rose to that of male's (80.6%), the absolute level of Japan's GDP could be increased around 12.5% (Goldman Sachs, 2014: 5). In summary, not only Japan's policy-makers, but also international actors have addressed the importance of female employment in pursuing economic revitalization.

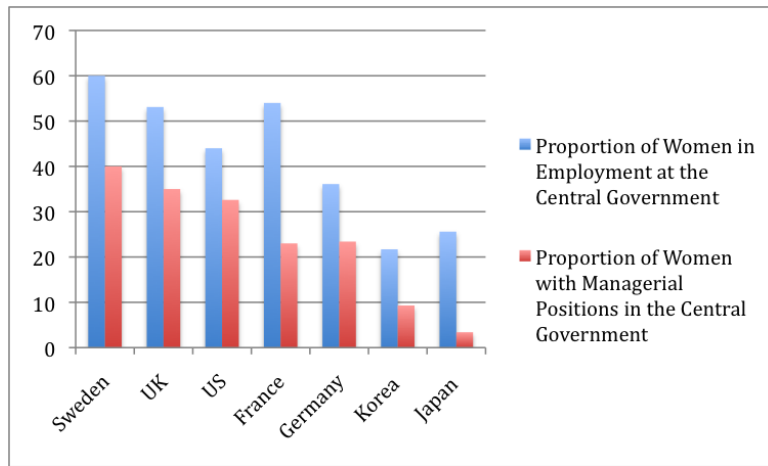
## 2.2 Promoting More Females in Leading Positions

While an increase in female labor force participation is one of the Abe government's policy goals for the economic empowerment of women, it has focused on another important aspect of female employment, the career development of the female workforce within organizations. Japan's ratio of female to male tertiary enrollment was 90% (as of 2012) (World Bank, <http://data.worldbank.org/indicator/SE.ENR.TERT.FM.ZS>, accessed March 12, 2015), however a large number of female college graduates have confronted far more intense job market competition and even if they are hired, a possibility of being promoted to managerial and executive positions is much lower than that of their male counterparts. According to the government document (MHLW, 2014a: 6), the competition ratios for the career-track position (*sōgōshoku*) were 17:1 and 63:1 for male candidates and female candidates respectively, which demonstrates far more difficult situations for females in the

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<sup>1</sup> For details, see the website of the American Chamber of Commerce in Japan (<http://www.accj.or.jp/en/news-a-media/news/details/300308-2014-usjc-accj-wib-summit-recap>, accessed March 8, 2015).

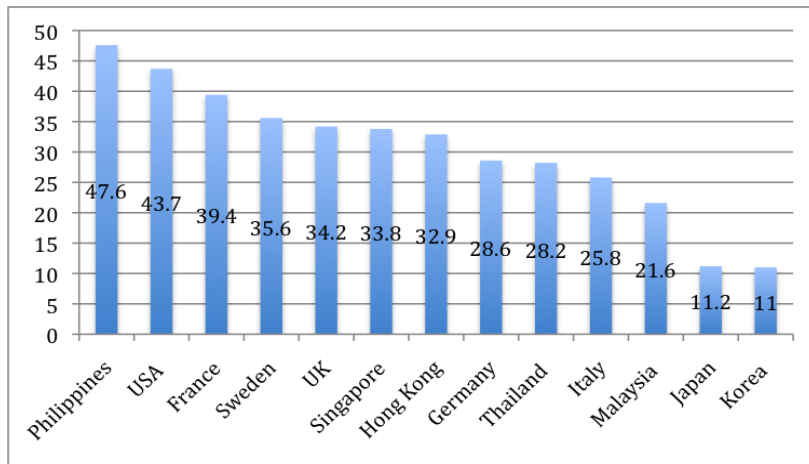
**Figure 2.** Proportion of Women with Managerial Positions in the Government (2012)



Source: National Personnel Authority of Japan, *Annual Report of the Year of 2013* (<http://ssl.jinji.go.jp/hakusho/h25/1-1-01.html>, accessed January 31, 2015).

Note: For the data on Sweden, it is an approximate value; for France, the data are based on 2011; for Germany, the proportion of the female workforce with managerial positions is based on the data of 2009.

**Figure 3.** Proportion of Women in Managerial Positions



Source: For the data on Japan, Japanese Ministry of Internal Affairs and Communications, “Labor Force Survey”; for the data on other countries, Japan Labor Institute for Policy and Training, *Data Book on Internal Labor Comparison of the Year of 2013* (recited from MHLW (2014b: 9)).

Note: The proportion of women includes those in the private and public sectors.

job market.<sup>2</sup> As illustrated in figures 2 and 3, the proportion of female workers in managerial positions in the Japanese labor market was extremely low compared with those of other countries (including both developing and developed countries).

Since the mid-1980s, Japan has made an effort to improve women's social and economic rights in the labor market by introducing a series of legislations that would protect women's rights and assist them in balancing work and life, such as the Equal Employment Law (1986) and the Childcare Leave Law (1992). Despite the positive effects of these legislations on the improvement of women's rights in the labor market, many challenges and problems for increasing female employment have still remained.<sup>3</sup> For instance, in the Japanese labor market, it usually takes about around 13 years of continuous employment before career-track cohorts are promoted to section chief level (*kachō*). Yet considering the life course of women, a large number of Japanese female workers cannot avoid conflicts between work and life in their late 20s and early 30s because of marriage, childbirth, and child rearing, all of which highly results in career interruptions (Patrick, 2014: 17). As already shown in Figure 1, a huge dip in the female labor force participation rate for the age group of 25–29 and 30–34 reflects the reality of Japanese women juggling the work and life balance.<sup>4</sup> Thus, flattening out the M-shaped curve has been considered one of the solutions to increase the proportion of female managers and executives by preventing them from experiencing career interruptions.

### 3. “WOMENOMICS” AS JAPAN’S ECONOMIC REVITALIZATION STRATEGY

The enhancement of female employment has been discussed by the Japanese government for the past few decades, yet the Abe government's female employment policies differ from those of the previous ones. First, the Abe government has highlighted the improvement of competitiveness and profits for corporations as one of the important advantages of diversity in the workplace (e.g., the hiring of the female workforce and the promotion of women to

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<sup>2</sup> After the legalization of the Equal Employment Law (1986), large Japanese corporations created a two track employment system: the career-track (*sōgōshoku*) and the non-career track (*ippanshoku*). The former targeted the hiring of male workers and a very small segment of female workers, whereas the latter focused on the hiring of female workers, most of whom would stay at the very low-rank of job tasks without a high possibility of promotion.

<sup>3</sup> The proportion of women who took the childcare leave increased from 49.1% to 83% between 1996 and 2013, whereas the proportion of men taking the childcare leave increased very marginally from 0.12% to 2.03% (Japanese Ministry of Health, Labor, and Welfare, “Basic Survey of Gender Equality in Employment Management”; Recited from the MHLW (2015: 6)).

<sup>4</sup> Meanwhile, some scholars have argued that Japanese women prefer to voluntarily withdraw from the labor market after childbirth, since they would like to take care of their children by themselves. According to the Japanese National Social Security and Population Research Institute Household Survey, the percentage of the respondents who agreed to the statement that it is desirable to raise a child by mom until the age of three has been consistently high over the past two decades. In 1993, 44.7% and 44.4% of the respondents selected “strongly agree” and “agree.” In 2004, the proportion did not change very much. 39.1% and 43.8% of the respondents selected “strongly agree” and “agree,” respectively. Similarly, in 2008, 42.7% and 43.2% of the respondents chose “strongly agree” and “agree” (Otohe, 2010: 26).

leading positions). As opposed to emphasizing the improvement of gender equality as norms, it has prioritized the economic empowerment of women as Japan's economic revitalization strategy and the business management strategy. In particular, it has made a point that corporations that extensively hire and utilize female workers within organizations tend to make higher profits (e.g., higher returns on equity in the stock market) since diversity in the workplace is more likely to develop new products and services, leading to competitiveness and profits.<sup>5</sup>

Second, the Abe government has adopted more comprehensive labor market and employment policies for increasing female employment, ranging from the development of social infrastructure (e.g., the expansion of childcare facilities) and the regulatory measures on the promotion of female employment to various campaigns and incentive programs for corporations. It has proposed strong policy recommendations for the public and private sectors (e.g., the business community and the central and local governments) to introduce a quota for women in managerial positions and to disclose the information of female employment within organizations (e.g., the share of female workers, managers, and executives, the numerical target of female employment, and average monthly overtime work hours).

The Abe government policy target for female employment can be summarized as follows: (1) the increase in female labor force participation and (2) the promotion of women in leading positions (e.g., managers and executives).<sup>6</sup> The government focuses on increasing female employment rates, women's share in leading positions, and retention rates of female workers as key performance indicators (KPIs) to measure the success of the policy target. First, the Abe government aimed to increase Japan's female labor force participation rate (especially for those in the age group of 25–44) from 68% to 73% between 2012 and 2020 (Okada 2014: 6). By doing so, the government hoped to utilize Japan's female workforce in the labor market so as to boost its economic growth.

Second, the Abe government also proposed to increase women's share in leading positions (e.g., managers and executives) in the public and private sectors to 30% by 2020.<sup>7</sup> Prime Minister Abe strongly requested to the business associations that all listed companies proactively promote women to executive and managerial positions, and as a first step, they appoint one female as a board member (MHLW 2014a: 5). In the public sector where the government has a much stronger influence on the hiring of the female workforce, it was

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<sup>5</sup> For the positive relationship between diversity in the workplace and corporate profits, see Goldman Sachs (2014: 21, Exhibitions 20 and 21); regarding the Abe government's policy emphasis on the diversity of the workforce, see Okada (2014: 3) and the website of the Gender Equality Bureau, Cabinet Office of Japan ([http://www.gender.go.jp/kaigi/senmon/kansi\\_senmon/wg02/pdf/giji\\_03.pdf](http://www.gender.go.jp/kaigi/senmon/kansi_senmon/wg02/pdf/giji_03.pdf), accessed January 10, 2015).

<sup>6</sup> According to the resolution of the Council for Gender Equality in 2007, the leading positions were defined as follows: (1) members of local and national parliaments, (2) section chiefs (*kachō*) or above in private corporations and other organizations, and (3) highly specialized technical and specialist roles (Keidanren, 2014a: 8 and footnote 8).

<sup>7</sup> The numerical target of a 30% of women in leading positions by 2020 was already proposed by the Koizumi government in 2003. Yet there was no incentive for the public and private sectors to achieve this specific policy goal and no substantial policy proposal to accomplish it (Author's interview with Japan's female labor market policy expert, Tokyo, Japan, February 5, 2015; Keidanren (2014a: 8 and footnote 8).

relatively easy to achieve a quota for women. For instance, the government intended to increase the proportion of female deliberative council (*shingikai*) members by 30%, whose goal was achieved already in the mid-2000s.<sup>8</sup> In addition, the share of female civil servants (including both low-ranking and high-ranking ones) has increased rapidly, whose total share has passed 25%, although the proportion of female civil servants has varied across different government agencies and ministries, and the percentage of female civil servants in leading positions was still much lower than those of other advanced industrialized countries (Author's interview with Japan's female labor market policy expert, Tokyo, Japan, February 5, 2015; National Personnel Authority of Japan, *Annual Report of the Year of 2013*, <http://ssl.jinji.go.jp/hakusho/h25/1-1-01.html>, accessed January 31, 2015; see also Figure 2). Meanwhile, despite the increasing proportion of women in leading positions, the share of women with managerial positions in the private sector seems to be much lower than that of the public sector. For firms with more than 100 employees, the proportion of the female workforce at the level of team leader (*kakarichō*) increased from 3.9% to 15.4% between 1985 and 2013; the share of the female workforce at the level of section chief (*kachō*) expanded from 1.6% to 8.5% during the same period; the percentage of the female workforce at the level of department head (*buchō*) increased from 1.0% to 5.1% (MHLW, 2015: 9).

Third, in order to flatten out the M-shaped curve of the female labor force participation rate, the Abe government placed much emphasis on an increase in retention rates of female workers who return to the labor market after having their first child from 35% to 55% between 2010 and 2020. The rapid expansion of childcare facilities and the provision of more generous childcare benefits were considered important policy tools to achieve such goals, which assist female workers in balancing work and life.

According to a government survey, around 40% of the female workforce decided to leave the workplace after childbirth because of their emphasis on childcare and household work, and another 30% of the female workforce pointed out the difficulty in achieving work and life balance (MHLW, 2014a: 8). The Abe government planned to achieve a zero-waiting list for childcare by creating 400,000 childcare spots by 2017, and it also aimed to increase the percentage of fathers taking the childcare leave from 2.03% in 2013 to 10% in 2017 and 13% in 2020, respectively (Cabinet Office of Japan, 2013b; Goldman Sachs, 2014: 7; MHLW, 2015: 21).<sup>9</sup> In addition, it proposed to extend maternity leave from one year up to three years (whose policy discussions have not been finalized) and the increase of childcare benefits for the first 6 months from 50% to 67% (effective from April 2014) (MHLW, 2015: 23).<sup>10</sup> As illustrated by an expression, "*sho-ichi no kabe*" (the first-grade wall) that refers to a lack of care options for first-graders in elementary school, a large number of mothers with young children decide to give up their careers because of the lack of care facilities for elementary

<sup>8</sup> For the data, see the Cabinet Office of Japan ([http://www.gender.go.jp/english\\_contents/about\\_danjo/toward/progress/graph.html](http://www.gender.go.jp/english_contents/about_danjo/toward/progress/graph.html), accessed February 8, 2015).

<sup>9</sup> See also Prime Minister Abe's public speech regarding his policy emphasis on female employment ("A New Vision from a New Japan," speech delivered at the World Economic Forum 2014 Annual Meeting on January 22, 2014, [http://japan.kantei.go.jp/96\\_abe/statement/201401/22speech\\_e.html](http://japan.kantei.go.jp/96_abe/statement/201401/22speech_e.html), accessed December 28, 2014).

<sup>10</sup> Estevez-Abe and Kim (2014: 675) have pointed out that the extension of the maternity leave would reduce the need for childcare places for infants up to the age of two. Meanwhile, Komine (2013) has argued that the three year childcare leave may not facilitate the employment of women because of career interruption for such a long time span as well as the problems of vacancy for employers.



school kids. To address this problem, the Abe government also proposed to create after-school programs for 300,000 children by March 2020 (Otake, 2014).

The Abe government has proposed various policy initiatives for increasing female employment. The following section will examine the ways in which different ministries have advanced various programs in the realm of female employment.

#### 4. THE ABE GOVERNMENT INITIATIVE FOR THE ECONOMIC EMPOWERMENT OF WOMEN

Beginning in 2013, the Abe government has proposed a series of policy initiatives for increasing female employment, providing support for women in balancing work and life along the lines of their life course cycles, and creating female-friendly and family-friendly social and work environments. Such policy measures include the government honor and recognition for good/best practices of corporations, grants and subsidies for promoting women's active participation within corporations, and the disclosure of company information on diversity in the workplace for the purpose of job applicants as well as investors.<sup>11</sup> As another interesting point regarding the economic empowerment of women, the Abe government's female employment policies have emphasized the dimension of competitiveness and profitability, as opposed to gender equality or corporate social responsibility. Thus, the METI, in charge of industrial and economic policies, has actively participated in the promotion of female employment over the past few years. Moreover, the MHLW, which has been responsible for labor market, employment, and training policies, as well as the Gender Equality Bureau, which has been specialized in the area of various gender issues, have continued to advance diverse policy initiatives for female employment as part of "womenomics."

##### 4.1 METI's Two Policy Initiatives: Diversity Management Selection 100 and Nadeshiko Brand

Since 2013, the METI has promoted two policy initiatives, the Diversity Management Selection 100 and the Nadeshiko Brand as a way of encouraging corporations to enhance the diversity of the workforce. These two initiatives have recognized corporations' voluntary efforts to increase diversity in the workplace, although the term of diversity has been interpreted as "gender diversity" in most (large-sized) firms. By disclosing the information regarding the diversity of the workforce as well as corporations' labor management practices to promote diversity (e.g., the accommodation of job relocation, flexible work hours, and generous childcare leaves), the METI has provided the government recognition to these diversity-friendly companies. Appearing in the ranking of the Diversity Management Selection 100 and the Nadeshiko Brand are more likely to provide an important signal for job candidates and investors regarding the presence of human resource management in favor of women's success, which would affect recruiting talented female workers in particular

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<sup>11</sup> Several policy experts and scholars have argued that the government should change the tax code, which is currently in favor of the model of the male-breadwinner with part-time female housewife, in order to promote more female employment and two-income households. While there have been some debates on the issue, no substantial proposals have been drafted by the Abe government.

(Keidanren, 2014a: 3).

### *Diversity Management Selection 100*

During the 2000s, the term of diversity has emerged as an important keyword to explain a new trend of the human resource management within corporations in the context of globalization, intensified market competition, and labor shortage (caused by declining fertility rates and an aging population). Diversity refers to several different groups of the workforce, such as females, foreigners, the old, and people with disabilities, and the implementation of diversity in recruitment has diverged across firms and industries. Although Japanese corporations have begun to focus on the diversity of the workforce from the perspective of corporate social responsibility and/or business strategy in the early 2000s, the government has embraced the notion of the diversity of the workforce more actively, especially after Prime Minister Abe's emphasis on the promotion of female employment as an economic revitalization strategy. Beginning in 2013, the METI has embarked a three-year long policy initiative for promoting diversity in recruitment, so called the "Diversity Management Selection 100" in order to honor and recognize corporations with good/best practices in diversity in human resource management.<sup>12</sup> The METI has kept emphasizing the importance of the diversity of the workforce, not only for corporate welfare or corporate social responsibility, but also for business strategies of firms as a way of surviving intensive global market competition (METI, 2013: 7). In particular, the ministry has prioritized the achievements for diversity management in the areas of product innovation, process innovation, enhancement of corporate values, and effects within organization (<http://www.diversity100sen.go.jp/outline/index.html>, accessed January 2, 2015).

The winners of the Diversity Management Selection 100 were chosen by the METI based on corporations' application materials that explain their voluntary efforts and actions to enhance diversity in workplace as well as good/best practices in human resource management. The ministry selected 43 corporations out of 160 and more applicants in 2013 and 46 corporations among 127 applicants in 2014 (METI's website, [http://www.meti.go.jp/english/press/2013/0322\\_01.html](http://www.meti.go.jp/english/press/2013/0322_01.html), accessed January 10, 2015; METI 2014: 3).<sup>13</sup> While the Diversity Management Selection 100 project initially intended to promote various aspects of diversity in the workplace (e.g., females, foreigners, the elderly, and people with disabilities), it has put much emphasis on the promotion of female employment and the advancement of women in leading positions, as illustrated in the list of the winners of the 2014 Diversity Management Selection 100. Furthermore, while small and medium-sized enterprises focus on the improvement of diversity in workplace through hiring more foreigners, the elderly and people with disabilities, a majority of large-sized firms have regarded the diversity of the workplace as the hiring of female workers (METI, 2013, 2014; Author's interview with a member of the Diversity Management Selection 100 committee, Tokyo, Japan, January 28,

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<sup>12</sup> According to the METI's statement, it aims to recognize 100 corporations that adopt more diversity-oriented human resource management ([http://www.meti.go.jp/english/press/2013/0322\\_01.html](http://www.meti.go.jp/english/press/2013/0322_01.html), accessed January 10, 2015). Meanwhile, one of the Diversity Management Selection 100 committee members has pointed out that there is no numerical target of 100 corporations (Author's interview with a member of the Diversity Management Selection 100 Committee, Tokyo, Japan, January 28, 2015).

<sup>13</sup> This list includes both large-sized firms and small and medium-sized enterprises as well as various industrial sectors, ranging from the construction sector, the transportation sector, the consumer electronics sector, and the telecommunication to the insurance and banking sectors.

2015).

#### *Nadeshiko Brand*

While the Diversity Management Selection 100 program selects corporations that submitted application materials for the government recognition, the Nadeshiko Brand chooses corporations that hire more female workers and extensively utilize them among the listed companies in the Tokyo Stock Exchange. Out of around 1,750 companies in the first section of the Tokyo Stock Exchange, the METI usually selects 70–100 corporations based on the scores of female-friendly human resource management, and then names the final list of corporations based on the score of corporate finance (with the goal of making an explicit linkage between diversity in recruitment and corporate profits) (METI, 2014: 224). In 2013 and 2014, 17 and 26 corporations were listed to the Nadeshiko Brand respectively, which implied that these corporations are leading companies in each industrial sector and implement more female-friendly human resource management within their organizations (METI, 2013: 301; METI, 2014: 226; Tokyo Stock Exchange, [http://www.tse.or.jp/news/31/b7gje60000035yxz-att/report\\_ver1.0.pdf](http://www.tse.or.jp/news/31/b7gje60000035yxz-att/report_ver1.0.pdf), released Feb 26, 2013, accessed January 28, 2015). In 2013, Kao and Nissan Automobile were named as the winners of the Diversity Management Selection 100 as well as the Nadeshiko Brand (METI, 2013: 6). Seven corporations—Toray, AGC, Sumitomo Metal Mining, Nissan Automobile, Nikon, Tokyu Railway, and KDDI—were chosen for the Nadeshiko Brand in 2013 as well as 2014 (METI, 2014: 226).

#### *METI's Policy Initiatives*

Both the Diversity Management Selection 100 and the Nadeshiko Brand focus on the promotion of female employment through the government and social recognition, as opposed to imposing any regulatory measures on corporations. There is no empirical evidence to verify the ways in which the government and social recognition assists corporations in hiring and securing talented human resources (especially female workers). Nevertheless, a large number of Japanese corporations want to be selected to the list of the Diversity Management Selection 100 for the purpose of the reputation effects and because of the peer pressure effects in the business community (Author's interview with a staff member at Keidanren, Tokyo, Japan, January 27, 2015).

### **4.2 MHLW's Policy Initiatives for Female Employment**

While the METI has utilized the government and social recognition in order to enhance female employment, the MHLW has employed a two-pronged strategy of the government regulation and the campaign in response to Prime Minister Abe's focus on the economic empowerment of women in the Japanese economy. In 2014, the MHLW began to discuss the draft of the promotion of female employment, and the political process of deliberating and negotiating the draft bill illustrates several important features of Japan's policy-making. The ministry prepared for the draft bill that would promote female employment by imposing several regulatory measures on corporations (especially large-sized ones with more than 300 employees). The draft bill submitted to the 187<sup>th</sup> Diet (on October 17, 2014) stipulated that large corporations with more than 300 employees would be obliged to follow the three requirements: the assessment of actual situation and problem analysis regarding women's activities within their organizations, the publication of the action plan based on the

assessment with a specific numerical target, and the information release about women's participation (MHLW, 2015: 19).

When the ministry drafted the legislation on the enhancement of female employment (女性の職業生活における活躍の推進に関する法律案 or Bill Regarding Promotion of Active Participation of Women in Their Working Life), the labor policy deliberative council proposed to stipulate the numerical target of the action plan for the private sector. Yet, in the process of deliberating and negotiating the specific contents of the legislation with the representatives of the public interests, business, and labor, the labor policy deliberative council decided to eliminate the elements of the numerical target of the action plan in the legislation, accepting the demand of the business sector. The interesting fact is that when the ministry submitted the draft bill to the minister and cabinet, Shiozaki Yasuhisa, the current minister of Health, Labor, and Welfare, and Prime Minister Abe dictated the ministry to include the numerical target of the action plan in the legislation, which reversed a consensus made in the labor policy deliberative council (Author's interview with Japan's female labor market policy expert, Tokyo, Japan, February 5, 2015). In general, the draft bill submitted by the labor policy deliberative council was not overruled by the minister or the cabinet. Yet as I have argued elsewhere, a series of institutional changes have centralized the political authority of policy-making to the prime minister and the Cabinet Office, which departs from the principle of consensus-building among all parties concerned in labor policy-making (Song, 2014).<sup>14</sup> However, this bill on the enhancement of female employment was not passed in the Diet because of the dissolution of the Diet in December 2014.

After the election of December 2014, the Abe government resubmitted the bill to the 189<sup>th</sup> Diet (on February 20, 2015), and the legislative deliberation has been currently taking place in the Diet (Index of Japanese Legislations, <http://hourei.ndl.go.jp/SearchSys/viewShingi.do?i=118901008>, accessed June 23, 2015). It is not clear to what extent the Diet will add any legislative amendments to the original bill. Yet as will be discussed in the following section, the business sector has hoped to tone down the strictness of the regulatory measures, especially the requirements of the numerical target of the action plan, by proposing its own version of the voluntary action plan on female employment. As Campbell (1992) has pointed out in the case of Japan's development of social welfare and labor policies under the pressure of socio-demographic challenges, the Japanese government has been participating in continuous bargaining and negotiation with the private sector, which allowed the private sector to gradually adjust to new regulatory changes, as opposed to imposing new rules and regulations on the society from the top-down. With a slightly different focus, Haley (1991) has also emphasized the importance of informal community rules and regulations in the case of Japan's legal system, indicating the role of the private sector in creating norms and practices within its own community.

In addition to these legislative changes, the ministry developed the "Positive Action" portal site that would release information relevant to female employment (e.g., the status of appointment of women and the active participation of women) for around 1,100 corporations that voluntarily participated in the program. By doing so, this program intended to provide more information for female workers and students who are looking for employment opportunities in the labor market. Similarly, the ministry also created the "Work and Life Balance Plaza" (*Ryōritsu Shien no Hiroba*) that posted information about the corporation's action plan for supporting the work and life balance programs (MHLW, 2015: 16; Positive

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<sup>14</sup> Regarding the centralization of Japan's decision-making, see Estevez-Abe (2006).

Action, <http://www.mhlw.go.jp/positive-action.sengen/index.html>, accessed March 12, 2015; Work and Life Balance Plaza, <http://ryouritsu.jp>, accessed March 12, 2015). These policy programs are not based on the mechanism of punishment. Rather, the MHLW has adopted the disclosure of information and good/best practices about the promotion of female employment and the work and life balance as a way of information dissemination.

### 4.3 Gender Equality Bureau, Cabinet Office of Japan

Similar to the METI and the MHLW, the Gender Equality Bureau has utilized the disclosure of information in order to enhance female employment. Driven by Prime Minister Abe's policy emphasis on the economic empowerment of women, beginning in February 2013, the Cabinet Office has urged listed firms to disclose gender-related statistics in their corporate governance reports. However as of December 2013, 556 firms (17% of a total 3,196 listed firms) disclosed information about the quantity and quality of gender-related information (e.g., the proportion of the female workforce, the percentage of female managers and executives, and so on) (Goldman Sachs, 2014: 10). In response to such low response rates, the Gender Equality Bureau created a website, "Mieru-ka" [Visualizing Women in Company], with the goal of posting the information of female employment in the private sector to make it as a show case as well as to provide relevant information for job applications and investors in the market (Goldman Sachs, 2014: 16; [www.gender.go.jp/policy/mieruka/company/mierukasite.html](http://www.gender.go.jp/policy/mieruka/company/mierukasite.html), accessed on March 12, 2015). As of January 2014, 1,150 out of 3,552 listed companies (32.4%) published the data that include thirteen gender-related issues, such as the share of the female workforce, the percentage of female managers and executives, and the number of workers taking childcare leave (Okada, 2014: 8).<sup>15</sup>

## 5. THE BUSINESS RESPONSE TO THE ABE GOVERNMENT'S POLICY INITIATIVES

Several large Japanese corporations have actively promoted diversity in the workplace as part of their business and management strategies even before the announcement of the government's promotion on female employment. Meanwhile, the government policy drive urged the business community to advance more active female-friendly human resource management and labor management practices within organizations. In response to the

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<sup>15</sup> The government has encouraged listed companies to release the following thirteen information: (1) the number of employees (including the number and share of female employees), (2) the number of employees in managerial positions (including the number and share of female managers), (3) the number of executives (including the number and share of female executives), (4) the presence/absence of the specific target for female hiring, (5) the average age of the workforce (including the data for the total workforce, the male workforce, and the female workforce), (6) the average year of tenure (including the data for the total workforce, the male workforce, and the female workforce), (7) the retaining rate for the newly hiring workforce, (8) the number of workers taking the maternity leave, (9) the number of workers taking the childcare leave (the data for the total workforce and the male workforce), (10) the percentage of the returning workers after the childcare leave, (11) average salary, (12) average monthly overtime working hours, and (13) the average rate of taking the annual vacation ([www.gender.go.jp/policy/mieruka/company/mierukasite.html](http://www.gender.go.jp/policy/mieruka/company/mierukasite.html), accessed March 12, 2015).

government's policy emphasis on the economic empowerment of women, in July 2013, Keidanren established a subcommittee on Gender Diversity under the committee of Corporate Behavior in order to accelerate efforts to promote the active utilization of women's skills in Japanese enterprises (Keidanren, 2014a: 1).<sup>16</sup> It strongly advocated that women's participation in the labor market will be needed not for just women's rights, but for corporate value (through hiring better job candidates, securing talented human resources, and implementing better management strategies).

While Keidanren and its member firms did not oppose to the Abe government's policy initiative for increasing female employment, they were not very happy about the introduction of new regulatory measures, especially on the numerical target of the action plan in the Bill Regarding Promotion of Active Participation of Women in Their Working Life (女性の職業生活における活躍の推進に関する法律案). By proposing its own version of the voluntary action plan on the enhancement of female employment, Keidanren intended to preempt the introduction of strict regulatory measures on the business community.<sup>17</sup> The Action Plans for Women's Participation (published by Keidanren on April 15, 2014) strongly argued that each enterprise should be able to develop its action plan based on its own circumstances since a uniform quota for female employment cannot precisely take into account the differences across firms and/or industries (Keidanren, 2014a). As part of the Action Plans, Keidanren asked its member firms to voluntarily announce their plans to appoint more women as board members and managers, foster female managers through training programs, and recruit more women to positions in science and engineering (<https://www.keidanren.or.jp/policy/2014/029.html>, accessed January 20, 2015). In addition, it urged its member firms to publicize the information of female employment on the website of Keidanren. As of March 2015, one third of its member firms (408 out of 1,309 firms) disclosed the information regarding female employment (<https://www.keidanren.or.jp/policy/woman/actionplan.html>, accessed January 20, 2015).

Despite Keidanren's efforts to prevent the ministry from including the numerical target of female employment in the legislation, the draft bill submitted to the 187<sup>th</sup> Diet included the numerical goal (although the bill was not passed). Considering the fact that the 189<sup>th</sup> Diet is discussing the draft bill, we may still need to wait and see the final version of the legislation to evaluate the ways in which the business community's goal is accomplished.

## 6. CONCLUSION

Since only a few years have passed after Prime Minister Abe announced the economic empowerment of Japan's women, it is difficult to precisely evaluate the effects of Abenomics on the enhancement of female employment. In addition, some scholars have claimed that Prime Minister Abe's policy initiatives for female employment have been

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<sup>16</sup> Keidanren is composed of 1,309 representative companies, 112 nationwide industrial associations and 47 regional economic organizations (as of July 1, 2014) (<https://www.keidanren.or.jp/en/profile/pro001.html>, accessed January 20, 2015).

<sup>17</sup> Of course, not all Keidanren's member firms and executives were in support for the introduction of the voluntary action plan. Nevertheless, they agreed to announce the voluntary action plan with the hope of eliminating the numerical/quantitative target of the government on female employment (Author's interview with a staff member at Keidanren, Tokyo, Japan, January 27, 2015).

exclusively targeting highly-educated female workers, as opposed to the average Japanese female workforce.<sup>18</sup> As illustrated in the case of deliberating and negotiating legislative changes in the ministry and Diet, there has been still a mix of the centralization of Japan's decision-making and a series of consultation and bargaining between the government and the private sector, which may define the scope of policy changes in the area of female employment. Despite several reservations concerning the policy intention and outcomes of its female employment policies, it cannot be disputed that the Abe government has proposed and implemented a much wider range of female-friendly social and economic policies that differ from those of the previous governments.

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<sup>18</sup> Author's personal communication with Japan's gender sociologist, Tokyo, Japan, January 23, 2015.

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