

# From 'post-war' to 'post-bubble': contemporary issues for Japanese working women

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## **ABSTRACT:**

This paper examines key issues relating to women and work in the contemporary Japanese economy. It first presents an overview of female employment during the postwar years (1950s-80s) — highlighting the crucial restructuring and significant shifts in the nature of women's employment that took place during these decades. It argues that the textile industry, in particular, took a leading role in formulating employment strategies for female workers and, as such, had a decisive influence on the nature of the labour market that developed for women workers in postwar Japan. Key trends, such as the diversification of female labour and the increase of older and part-time women workers, are identified. The second part of the paper continues the story of Japanese working women by examining contemporary issues and developments since the 1990s — including the movement for equality in the workplace, the implications of the part-time system of labour and the ageing of the Japanese population. Key questions can be asked of the future. Among the many economic problems facing Japan today are the issues of developing a flexible labour market and devising new Human Resource strategies. The history of the employment of Japanese women — particularly its development as a 'complementary' system to the life time employment system — may well offer valuable insight in this respect.

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*From 'post-war' to 'post-bubble': contemporary issues for Japanese working women?*

## 1. Female employment & the post-war growth years

The role of women in the Japanese labour market and more broadly in society has seen significant changes since 1945. Indeed, a crucial restructuring in the nature of women's employment took place during these decades. The emancipation of women during the Occupation years (1945-52), the growth of the economy in the four decades following World War II, and changing social attitudes to women's roles have all contributed to this transition.

The number of women in the labour force increased from 18.3 million in 1960 to 27.6 million in 2001.<sup>1</sup> Moreover, there was a four-fold increase in the number of women working as paid-employees from 5.31 million 1955 to 21.64 million in 2000.<sup>2</sup> Women were no longer predominantly family workers and agricultural workers but were now working as company employees in the manufacturing and service sectors of the economy. A notable phenomenon of the Japanese female labour market during the post-war years has been the so-called "M-Curve" of their labour force participation (see figure 1).<sup>3</sup> The labour force participation rate for women takes the shape of the letter "M" as many women drop out of the labour market for childbearing and childrearing during their late 20s and through their 30s. This M-curve is a relatively recent phenomenon, developing in the 1950s and 1960s, but has seen some transition since then. The very youngest workers (aged 15-20) have declined in proportion as young women have chosen to stay in education longer and delay their entry into the workforce, leading to a steeper first peak in the M-curve. The 'middle-aged' group (those in their 40s and 50s) have increased in the last few decades as more women (re)enter the job market particularly after their children enter schooling, leading to a rising second peak in the M-curve. Moreover, Japanese women have been choosing to delay marriage and childbirth, have less children and drop out of the labour market in fewer numbers after having children, leading to a distinct shift upward and rightward in the M-curve.

It is therefore somewhat of a myth that the economic high growth years in post-war Japan made it possible for women to choose to be full-time housewives and thus led to a decline in overall female labour participation. In actual fact, it was young workers (remaining in education) who produced some overall decline in participation figures during these year, while older married women actually increased their participation in the labour force and did not overwhelmingly become full-time housewives. Because of 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 (see figure 2). This contributes not only to a simple aging of the female labour force but also changes the socio-economic status and make-up of that labour force.

Indeed, this shift in the age, marital and socio-economic status of the female labour force has had an impact on the way in which women are employed in the economy. An increase in part-time and temporary employment relative to full-time employment has taken place (see figure 3). The number of part-time workers in Japan has increased from 4.5 million in 1985 to 11.7 million in 1999, while the number of dispatched workers has

<sup>1</sup> Ministry of Health, Labour and Welfare, *Josei Rodo Hakusho*, 2002

<sup>2</sup> Japan Institute of Labour (2003a) p.12

<sup>3</sup> The labour force participation rate (ratio) is calculated as the ratio of the labour force to the general population aged 15 and over.

risen to 1.1 million during that time.<sup>4</sup> Part-time workers are predominantly used in the manufacturing and service sectors of the economy, with shops the most prevalent form of workplace followed by factories. The majority of part-time and dispatched workers are women and, in the case of part-time workers, are increasingly older women or 'housewives'. The proportion of all female employees who are non-regular by classification has increased greatly from under 10% in 1965 to over 45% of the female labour force in 2001 (see figure 4). 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.

Overall, there have been several key trends for female employment in the post-war growth years. The role of women workers in Japanese society has dramatically increased throughout these decades. Their numbers have increased, as has their diversity (particularly the role of 'older' women) and their employment within a wider classification as workers (specifically 'non-regular' labour). Thus, there has been a substantial diversification in female employment. However, traditionally they have been left out of the mainstream Japanese (life-time) employment system. They have been seen as peripheral workers who are 'supplementary' to the main core of male workers. Distinctive 'gendered' spheres of employment were set up in Japanese companies providing separate channels of employment for 'long-term' male employees and 'short-term' female employees. Some practices became infamous —the creation of large number of uniform-wearing "OL"s (office ladies) who were expected to retire upon marriage; the hiring of female university graduates to serve tea in the 1980s; and the (re)employment of older 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 (youth) and appearance.<sup>5</sup>

My research on the textile industry from the 1950s to 1970s and its role as a key employer of women workers can be used as an example to reveal how these trends came in to force at the company and industry level.<sup>6</sup> The textile industry had long employed a core workforce of primarily young unmarried women. However, from the late 1950s/early 1960s employers began to find it increasingly difficult to meet their workforce needs from this key labour pool. They also faced increased competition from other growing industries like electronics manufacturing also seeking female labour. They began to supplement their core young female workforce with older females, employing them within a range of 'non-regular' contracts including temporary factory workers, daily workers and seasonal workers. In the late 1960s textile employers did actually try to utilise older women as a full-time core labour force in 'test' factories in an attempt to better utilise this plentiful labour pool as well as cut various costs of employing young labour. However, this strategy failed because employers found that their ability to rely on older women as a full-time labour force suffered from a worker absenteeism problem. While the suitability and skill of older women in performing their jobs was noted, they were found to be absent from work too often in order to attend to domestic responsibilities. In many ways, this strategy failed because employers did not come up with a really positive approach for how to combine economic work and domestic responsibilities for women. It also failed

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<sup>4</sup> Part-time workers are defined as persons working an average of 1-34 hours per week (i.e. less than 35 hours). Dispatched workers are workers supplied/dispatched by temporary employment agencies (includes ordinary and specialised temporary workers). Dispatched workers are a relatively new phenomenon, defined by the Manpower Dispatching Business Law of 1986.

<sup>5</sup> Weathers (2001) pp.209-210

<sup>6</sup> See Macnaughtan (2004)

because there was a lack of social encouragement for women to be full-time labour and be considered 'workers' rather than 'home-makers', despite an increased demand for their labour in Japan at this time. This suggests that there was something of a missed opportunity for Japanese women workers at this point in time. It is from this time that both a purposeful segregation of labour by gender and a distinct separation within the female labour market itself by age and marital status really takes hold. The textile industry was a large employer of women workers at this time and was very much a 'pattern-setter' — what it did and how it utilised female labour was looked at by other industries later employing female workers. Employer strategies and 'failures' such as this had a decisive influence on the nature of the labour market that developed for women workers and played a key role in the development of 'supplementary' and 'peripheral' systems of female employment, the problems with which are still being dealt with in Japan today.

## 2. Women workers & the current 'post-bubble' environment

The main issues for female employment in Japan over the last decade revolve around how to deal with a system that (not unlike the male-centred LES<sup>7</sup>) became entrenched and 'institutionalised' within the high growth decades, but is no longer valid and requires 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' worker. How does Japan approach employment in the 21st century faced with the 'demise' of the previously applauded LES and with increasingly one-third of its labour force employed outside the category of permanent or regular worker with all the implications that brings?

On one hand, the presence of increased non-regular labour can be viewed as a positive trend. There is a need for greater flexibility of workers in Japan, and non-regular or contract workers can aid a more mobile labour market. The effects of the increase in this type of worker, not least any impact it has on loosening the LES, will make it easier for all workers to move around within the market. Non-regular employment can 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 'flexible' workers being unprotected, exploited and discriminated against.<sup>8</sup> The emphasis in Japan continues to be one which uses part-time female workers as a corporate cost-cutting measure rather than as a means to improve the overall labour market or using women workers in a positive or constructive way. A survey in 2000 by the Ministry of Health, Labour and Welfare (MHLW) revealed that 88.6% of companies "do nothing" to appoint women to higher positions, 89.3% "have not established a plan to utilise women's labour" and 84.7% "do not educate middle managerial staff and male employees on the importance of utilising women's labour".<sup>9</sup>

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 classification as 'non-regular' worker even if they are essentially doing a full-time role —

<sup>7</sup> Life-time Employment System

<sup>8</sup> See Osawa (2001)

<sup>9</sup> <http://wom-jp.org/e/JWOMEN/work.html>

was 66.9% of the average female full-time worker's salary in 2000 (and 44% of the average male full-time worker's salary). Moreover, much of this wage differential is traceable to the taxation system. The 'non-regular' employment of housewives (70% of part-time workers are married women) is influenced largely by the tax system and their household income. Housewife workers (and their employers) adjust their income to match what is allowable under Japanese law — i.e. so that their income does not exceed their husband's monthly 'spouse allowance' of 1.03 million yen. If a married woman's income remains below the level of 1.03 million yen, 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 86% of female part-time workers are part-time for a "non-voluntary reason".<sup>10</sup> The pension system in Japan is currently under review, as not only does it currently only provide full benefits for those workers within the LES, but it is suggested that under the aging 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 life and also cater for those who drop in and out of the labour market and may work 'part-time' during their career life. While problems such as these remain, 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, and was subsequently strengthened in 1999 to directly prohibit discrimination against female workers in recruitment, hiring, assignment, and promotion (the original version simply instructed employers to make efforts in this direction). 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. With the increase of women in the workforce has come a greater concern for 'societal' issues within the workplace, particularly the 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 and home life. Legislation such as 1992 Childcare Leave (legislation for workers to take time off to care for children) and 1995 Family Care Leave (legislation for workers to take time off to care for family members, particularly elderly members) has been enacted as leave for both sexes to be able to take in order to aid a more flexible work-life balance. However, so far it is overwhelmingly women rather than men who have formed the majority of workers taking advantage of these types of leave. In 1999, 56.4% of working women took child care leave after giving birth, while only 0.42% of spouses of working women who gave birth took the leave.<sup>11</sup> The 'gender equal' framework is at this stage only a model and not an actual pattern of activity in Japan.

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<sup>10</sup> "Special Survey of the Labour Force Survey" cited in MHLW (2003) fig.33. The definition for "non-voluntary" was "workers who work between 1-34 hours per week although they desire to work 35 hours or more."

<sup>11</sup> Japan Institute of Labour (2003a) p.80

The issue of childcare is a prominent and important one affecting the contemporary situation of working women. It is not unique to Japan and is a continuing unresolved issue that has faced older working women ever since industrialisation 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 the textile industry's strategy of 'test factories' in the 1960s. Fieldwork and interviews with Japanese working women conducted in 2003 revealed that one of the main challenges to women continuing their career was still felt to be the problem of childcare. In a 1996 survey, 76.3% of women cited child-rearing responsibilities as the key factor discouraging or preventing women from working on a continuous basis. The "tradition" of women workers resigning when they married or became pregnant was also cited by 35.0% of women as a discouraging factor, while 27.5% cited a "prevailing mentality" in the workplace that expects that women will resign after a short time or are less capable than men.<sup>12</sup> On one hand there are good public childcare schemes available in Japan, though commentators call for increased facilities and a more market/user oriented approach. 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.<sup>13</sup> On the other hand, however, societal expectations that mothers should stay at home and raise children 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".<sup>14</sup> 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 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.<sup>15</sup> While the increasing economic role of women is having 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 consequences of not dealing with this are only expected to increase in the future.

### 3. Women, Work & Society in Japan: The Future?

Japan's population is predicted to peak in 2006 (at 127.41 million) and then begin to decline 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 1.33 in 2001.<sup>16</sup> The

<sup>12</sup> "Survey of Japanese Lifestyle Preferences", Economic Planning Agency, 1996, cited in Japan Institute of Labour (2003a) p.81

<sup>13</sup> Fieldwork Interview, Pasona, 31 January 2003

<sup>14</sup> Japan Institute of Labour (2003b) pp.19&21

<sup>15</sup> <http://wom-jp.org/e/JWOMEN/work.html>

<sup>16</sup> Japan Institute of Labour (2003a) p.80

working population is already diminishing in both real and proportional terms. Therefore the burden of supporting the younger and older groups of society, which predominantly falls on the 'working' age group, will increase and become a serious socio-economic problem. The middle group that supports the other two groups is declining and expected to be just over a mere half of the population by 2050 (see figure 4). As the population ages, a decrease in the number of young workers and overall labour pool will be observable. In some respects, this decline of young labour 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 fuller use of women workers as a permanent and proactive group within the labour market would help alleviate the future labour burden. As employment practice becomes more and more diverse in nature, new rapidly expanding types of flexible labour will require further attention and protection. Non-regular workers constituted 27.5% of all Japanese workers in 2001, having increased from 14.8% of all workers in 1990.<sup>17</sup> The proportion of all female workers who are non-regular employees reached 45.4% in 2001 (up from 29.6% in 1990) compared with 10.8% of all male workers in 2001 (up from 4.8% in 1990).<sup>18</sup> 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 will soon represent one-third of the Japanese labour force. This problem has been recognised and some preliminary initiatives put in place. The 1993 Part-Time Workers' Employment Management Law is 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. They require social security benefits, more specific job descriptions and better training and education opportunities. Existing legislation such as Childcare Leave also needs to be extended to part-time workers. 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 dispatched workers is deregulated.<sup>19</sup> 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 recruiting market.<sup>20</sup> Overall, it is not clear whether Japanese planners and employers really have a more flexible labour system as a key goal, but rather that a system that allows for more flexibility may simply arise in some format out of the primary goal of deregulation. It is also debateable to what extent the LES 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 merits of 'stability'. It therefore has a strong inertia and elements of it may remain intact for some time. The inertia of the LES has prompted many Japanese women in recent years to seek

<sup>17</sup> Part-time workers constitute 20.3%, while temporary and casual workers make up (1.8%) and dispatched workers (1.1%). Japan Institute of Labour (2003a) p.16

<sup>18</sup> "General Survey on Part-time Workers" cited in MHLW (2003) Fig.34

<sup>19</sup> At present the 1999 revisions of the Manpower Dispatching Business Law prohibit the dispatch of temporary and specialist workers to the following five sectors: dockyards, construction, security, nursing and other medical fields, and manufacturing.

<sup>20</sup> Fieldwork interview, Pasona, 31 January 2003 (figures as of FY. March 2001)

out jobs in foreign affiliate companies (*gaishikei*) in Japan.<sup>21</sup> In interviews with female employees of *gaishikei* conducted in January 2003, many women 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 ceiling in their previous employment at Japanese companies. However, many (as yet childless) women still expressed their concern as to how easy it would be to combine work and childcare in the future, and one HR manager admitted that his firm as yet did little to follow up and address why good quality Japanese female employees still dropped out of the workforce at a certain point in their career (predominantly in their 30s).<sup>22</sup>

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 aging population. 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. In extreme cases this manifests itself in discriminatory comments at the highest level. Recently, one LDP lawmaker commented, at 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."<sup>23</sup>

Japan is not the only OECD country with an aging population and declining birth rate. Canada, Switzerland and Germany all have similar birth rates (below 1.5) to Japan, while both Italy and Spain have lower birth rates and aging population predictions on par with Japan.<sup>24</sup> 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.<sup>25</sup> However, the difference in Japan lies in the way in which part-time and 'non-regular' employment is an 'entrenched' or 'institutionalised' and often non-voluntary system particularly for older married women, compared to a feature that allows for flexibility and choice in other labour markets. Women workers need to be realised as a distinct and mainstay source of labour in the Japanese market. They need to be recognised and equally rewarded for their contribution to the Japanese economy and assessed in any proactive establishment of employment policy and legislation. They need to be identified and classified more by individual experience, skill, ability and independence than by gender, age, marital status and economic dependency on their spouse. The balance between work and home life and between economic and domestic roles requires a shift in perspective away from the currently sex-segregated arena to one which recognises these are issues of concern for society as a whole. The labour shortage that is looming on Japan's horizon may not materialise if Japanese women joined the labour force in similar numbers as male workers. However, for this to be a realistic and viable possibility for women, employer practices and government policy need to ensure they can provide them with better job prospects, wage levels, childcare options, career prospects and pension schemes.

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<sup>21</sup> Kelsky (2001) pp.114-117

<sup>22</sup> Fieldwork interviews, various foreign affiliates, Tokyo, January 2003

<sup>23</sup> "Japan's gaffe-prone politicians", 4 June 2004, <http://news.bbc.co.uk/1/hi/world/asia-pacific/3058189.stm>

<sup>24</sup> United Nations (2003)

<sup>25</sup> OECD "Employment Outlook 2002" cited in MHLW (2003) fig.39

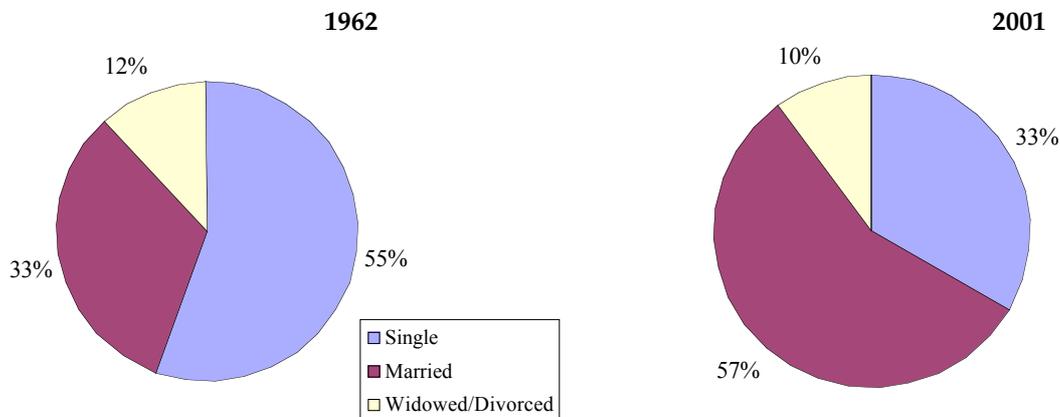
**FIGURES**

**Figure 1: Changes in Female Labour Force Participation Rate**



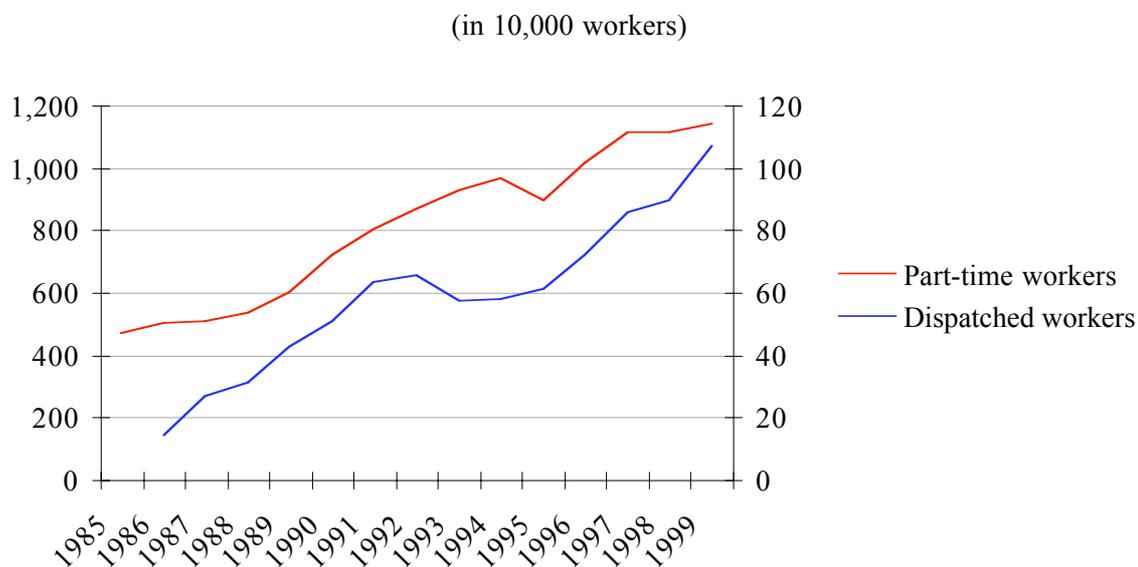
Source: Ministry of Health, Labour and Welfare, *Josei Rodo Hakusho*, 2002

**Figure 2: Women in Japanese Labour Force by Marital Status**



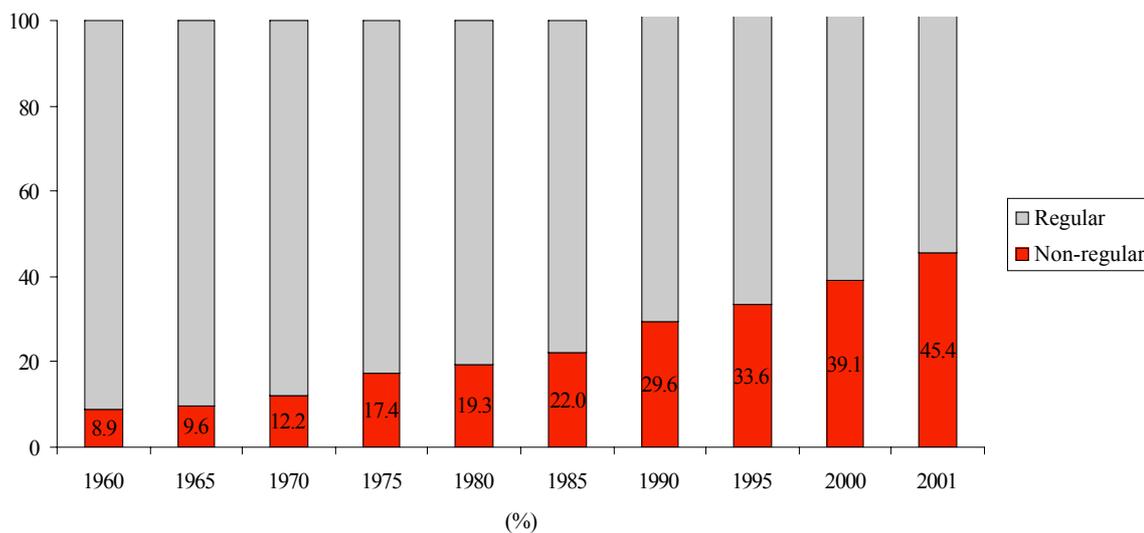
Source: Ministry of Health, Labour and Welfare, *Josei Rodo Hakusho*, 2002

**Figure 3: Trend in Numbers of Part-Time Workers and Dispatched Workers, 1985–99.** *Note:* This is a line graph on two axis — part-time workers are plotted on the left y-axis and are much higher than dispatch workers, which are plotted on the right y-axis



Source: Japan Institute of Labour (2003), *The Labour Situation in Japan 2002/2003*

**Figure 4: Proportion of all Female Employees that are ‘Non-regular’ Labour**



Source: Japan Institute of Labour (2003), *The Labour Situation in Japan 2002/2003* Ministry of Health, Labour and Welfare, *Josei Rodo Hakusho*, 2002

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