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# GENDER DISCRIMINATION IN THE WORKFORCE OF JAPAN: AN ANALYSIS (2005–2015)

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## Abstract

# Keywords:

Gender Discrimination;

Workforce:

Employment Pattern;

Regular Employee;

Wage Disparity.

Gender discrimination is a universal phenomenon. Japan is not exceptional in this regard. Although Japan is one of the most developed countries, still it is far behind with respect to gender equality. Analysis of data reveals that there is huge difference in the workforce participation of males and females in Japan. Participation of fenales always remained below 50% while it is above 70% for males. There is gender wise segregation of occupations in Japan. Administrative and managerial posts are mostly occupied by males. Female majority is found in clerical and service sector only. Another notable feature is that females are engaged largely in non-regular sector and they rarely promoted to regular one. Discrimination is also found in starting salary of new graduates. Structured law is needed to eradicate gender discrimination from workplace.

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#### Introduction

Labor market dynamics are different for men and women. Although women's educational attainments are increasingly surpassing men's, there is still a gender pay gap, even within occupations. Recent research suggests that the gap exists because women tend to choose jobs that offer more flexible hours than those chosen by men. There are many other reasons for the gap like female's less continuity in the job. Employers often complain that women are not interested in long term work. A great majority of women discontinue their job after marriage and childbirth. Apart from this woman often demand short term and long term leaves, for example, maternity and menstrual leave and don't want to do overtime work. It affects the productivity and company suffers. Thus women are sidelined by part-time work with flexible working routine.

In terms of gender equality, Japan lags far behind compared to other high income countries. According to Global Gender Gap Report 2013, Japan ranks  $105^{\rm rd}$  out of 135 countries. It lies between Cambodia and Nigeria. United States ranks  $23^{\rm rd}$  among the countries.

In Japan, there are small gender disparity in health and education but it is most pronounced in economic participation and political empowerment. Some of the key disparities are as follows ---

- a) Low participation rate of women in the workforce: Only 49.6% of women participated in the labor force, compared to 70.3% of men in 2015. It is one of the lowest rates among Organization for Economic Co-operation and Development (OECD) countries.
- b) A sizeable pay gap between men and women: There is considerable difference between the earning of Japanese men and women. Cross national survey reveals that Japan has the 87<sup>th</sup> pay gap for similar work.
- c) Poor representation of women in high level positions: Japan ranks 106<sup>th</sup> in the world regarding women's occupation of legislator, senior official, and manager positions. In Japan, women constitute only 9% of these posts, while in the United States women occupy 43% of these positions and US ranks 13<sup>th</sup> in the world.

## The Evolution of Gendered Employment System in Japan

The Japanese employment system exhibits what could be called a 'conscious evolution'. Tradition and ideology played a role in the development of the system. Japanese employment system represents neither a natural continuation of agricultural labor policies nor an innovation that occurred in the industries, such as textiles, that initiated Japan's industrialization. Although wage-labor did not exist in textiles, it was short-term employment. Outside of textiles, most industrial labor operated on a putting-out system in the nineteenth century. Agricultural labor in the Tokugawa period (1600-1868) often involved long-term hierarchical relations on what could be termed a Japanese style patron client model. But by the mid nineteenth century, these relations had been largely replaced by daily or seasonal wage labor.

The textile industry played a critical role in early Japanese industrialization. In the decade 1874-85, the textile industry was responsible for 26 percent of the Japanese manufacturing output. Japanese textile industry was very heavily loaded with female labors. In 1930, fully 81 percent of Japanese cotton textile workers were female. The great majority of Japanese women textile workers were young women of rural origin. Rural poverty and a labor surplus in agriculture at the turn of the twentieth century gave impulse to this in rural areas. Many parents signed labor contracts of several years' duration for their daughters to work in factories, and the wage were remitted back to the family.

Permanent employment policies did not develop in the textile industry. Probably the most unusual fact about this industry in Japan is the composition of its labor force. The cotton textile industry in Japan throughout its fifty years journey to the world dominance relied almost entirely on a labor force of women whose average entrant lived in a company dormitory and stayed at work no more than two years. Male competition for textile factory jobs did not happened in Japan. Young, female short-term labor remained the rule. Prior to World War II, the permanent employment policies failed to develop in the part of industrial economy where women labor worked.

In the early phase of Japanese industrialization, unskilled rural labor was plentiful. But the supply of skilled workers was different. Workers with vocational and higher education were

scarce. Poaching of skilled workers became a serious problem by the 1890s. Textile workers were available in large supply from rural households but skilled workers in machine related trades were scarcer. Many workers left one factory midway to seek employment as skilled workers in another factory.

The shortage of skilled labor and inability of employers to retain they had trained became more acute by the 1920s as the metal, machinery, and chemical industries adopted more advanced technologies in order to compete in international markets. By the late 1920s, many large factories instituted a policy of hiring workers directly into the company in April, when graduates started new jobs after the end of the school year in the winter. The result was a hiring system in which minority of inexperienced young boys regularly entered a firm each year as a favored group expected to become future workshop leaders and career employees, while managers drew the majority of factory laborers from a pool of mobile, often unemployed adult wage earners.

Workers in the newly developing heavy industries were almost all male. Women made up 62 percent of the manufacturing sector in 1909. But of these women, fully 84 percent were in the textile industry. Whereas men constituted only about a third of the manufacturing labor force at that time, they were much more evenly spread across the textile, machinery, chemical, food and beverage, and other industries. In 1940 about 60 percent of manufacturing workers were males. Women were not absorbed into any other wage-employment sector besides textiles. Women made up only 6.5 percent of white-collar employees in 1930 and 15 percent in 1940. Neither manufacturing nor clerical work was at all common among married women prior to World War II. It is apparent that women were simply not present in that part of Japanese industry where permanent employment policies were taking shape in the pre-World War II period.

## Gender Differences in the Labor Force Participation in Japan

Gender discrimination at the workplace is common in almost all countries. Women are given opportunity of employment only in low productivity jobs. They always receive low wages than men. They get little or no on-the-job training. In Japan too women are always ranked as inferiors. It is not because of their sex, but because women seldom hold higher social status. Perhaps 80 per cent of women are employed in the medium and small firms. These small firms have less

commitment to lifetime employment, fewer benefits, and more frequent bankruptcy. The employers don't expect women to remain in the company more than a few years. They know that women will marry in their mid-twenties and their main interest will be their home and their children rather than their work. So they provide women less training and want them to retire when they marry or have their first child. When women return back to labor market after absence of a long period, they are not reemployed in the upper level as 'permanent' workers.

Japanese women have long been active in the labor force whether in domestic service, agriculture or industry. The first phase of Japan's industrial development began towards the end of the nineteenth century. In this period, even in non-manufacturing sectors, it is apparent that there was nothing unusual about women entering the workforce. The paid and unpaid labor of women was vital to Japan's successful industrialization. Samurai and government officials patriotically sent their own daughters to work in the first state-run silk factory at Tomioka, which opened in 1892. In pre-war Japan women frequently worked in sales, domestic services, factory work and cottage industries. In 1939, women over 25 were ordered to work in coal mines and from the early 1940s unmarried girls were drafted to work in factories.

There is a long tradition of women working in Japan. But there was a decline of the trend in the years following the World War II. The participation of women in the workforce was 57 percent in 1955, 51 percent in 1965 and 46 percent in 1975. There were a fall in women's overall participation rate between 1955 and 1995. The decline in women's full-time employment can be attributed to a range of institutional and social factors, all of which combined to limit the choices of most women to providing a temporary assistance workforce before retiring to provide reproductive labor within the home. Japan's changing international position, legal change and lack of union protection led to an immediate and dramatic fall in women's employment in the years immediately following the end of the Second World War.

In recent years, there has been an increasing number of female employees and a decreasing number of male employees. Now the Japan government is promoting more and more women in the labor force. Japan is currently experiencing population decline and aging of population together with a falling birth rate. As a result, it is feared that economic growth of Japan would be affected. By promoting female employment, labor market can be alleviated.

Table 1: Comparison of labor force participation of male and female in Japan

Year	Labor Participation Rate (%)			
	Male	Female		
2005	73.3	48.4		
2006	73.2	48.5		
2007	73.1	48.5		
2008	72.8	48.4		
2009	72.0	48.5		
2010	71.6	48.5		
2011	71.1	48.2		
2012	70.8	48.2		
2013	70.5	48.9		
2014	70.4	49.2		
2015	70.3	49.6		

Source: Statistics Bureau, Govt. of Japan, 2016

From the analysis of labor force participation of males and females in Japan from 2005 to 2015, it is found that the participation of female is far behind compared to the participation of males. Labor force participation of male is above 70 percent for the period 2005 to 2015. But female labor participation remained below 50 percent for the same period. Historically the participation of females in the labor force has not taken seriously compared to male. Even females were not given proper training because it is assumed that they would retire to marriage few years after joining the job.

Another important point is that there is 3 percent decline in the labor force participation of males. In the year 2005 it was 73.3 percent but it reduced to 70.3 percent by 2015. The trend is entirely

opposite in case of female labor participation. There is 1.2 percent increase in the labor force participation of female from 2005 to 2015. Especially from 2012 it started increasing because of the steps taken by Abe Administration to promote females in the labor force. They have come to know that it is only the female who can save Japan from its present crisis of labor shortage and economic instability.

From the age group wise distribution of labor force participation, it has been seen that there is great difference between the male and female participation. In Japan, labor force participation of women is almost equal to male counterpart in their early twenties. But there is a drop in the participation in the late twenties and resurgence by the late thirties follows the ebb and flow of Japanese women's family responsibility. It forms a 'M'- shaped curve for the participation of women in the labor force but there is no such 'M'-shaped curve in the case male labor force participation.

# **Sex Segregation in the Occupational Structure**

Men and women in all economies are segregated into different occupations to some extent. Economies with greater occupational sex segregation show greater wage disparity between men and women. Disparity lies in the occupational structure of the country. A large of the labor force in Japan is occupied in agriculture and manufacturing, and both of these occupational groups are more integrated in Japan than white-collar and professional occupations.

**Table 2: Occupational Structure, 2015 (in Percentage)** 

Occupation	Male	Female
Administrative and managerial workers	87.6	12.4
Professional and engineering workers	53.1	46.9
Clerical workers	40.3	59.7
Sales workers	56.7	43.3
Services workers	32.4	67.6
Security workers	93.7	6.3

Agriculture, forestry and fisheries workers	64.0	36.0
Manufacturing process worker	71.3	28.7
Transport and machine workers	97.2	2.8
Construction and mining worker	98.3	1.7
Carrying, cleaning and packaging related workers	55.5	44.5

Source: Statistical Handbook of Japan, 2016

Sex segregation is greater in Japan in the high-status, high-paying occupational groups. Japanese men and women are more evenly distributed in the low-status, lower-paying occupational groups. The index of sex segregation in Japanese administrative and managerial occupations is 34.0, compared to the American index of 16.2. Sex segregation is also more apparent in sales and service occupations, and professional and technical occupations in Japan. Only three occupational groups show less sex segregation in Japan viz. agriculture, lower level blue-collar work, and administrative support.

Table 2 shows the occupation wise division of men and women in Japan. According to the data, in some sectors male participation is exceptionally high, for example administration and managerial (87.6%), Security (93.7%), Transport and machine works (97.2%), and construction and mining (98.3%). The age and sex pattern in managerial, blue-collar, and administrative support occupations illustrates how the Japanese processes disadvantage women.

Data on the age structures of occupations show that age is a more important factor in the Japanese occupational structure. Some occupations in Japan tend to be comprised of middle-aged or older workers and others tend to be held by young workers. In Japan, agricultural workers have the highest median age, 52 years. This is followed by managers, who average 49 years of age. In contrast, the youngest occupation is professional/technical, where the average worker is 35 years old.

In Japan, every occupational group exhibits an age gap between men and women, ranging from 1.6 years in agriculture to 7.4 years in sales. The median age of both males and females in managerial occupation is much higher in Japan. This reflects the seniority and experience requirement of Japanese managerial jobs. So, women get less opportunity to become a manager as they leave their job at the time of marriage. When they again join the job they are appointed as new workers. In Japan, sex segregation increases with age. Japanese women become more integrated into a variety of unskilled occupations as they age.

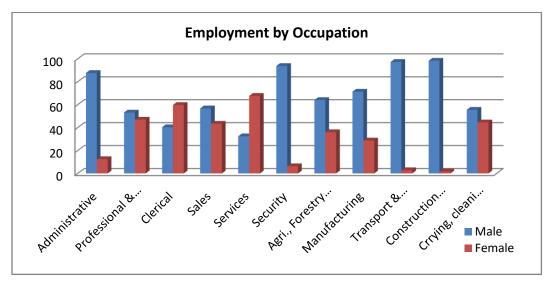


Figure 1: Employment by Occupation

In Japan, women's participation in some occupations exceeds men's participation. According to 2015 data in clerical work women comprise 59.7 percent where men comprise 40.3 percent. But still it is low compared to other developed countries where almost 80 percent clerical related jobs are done by women. In service sector also women's participation is greater than men. In 2005, 67.7 percent women comprises service sector while men contribute only 32.4 percent. A better comparison is shown in the bar diagram above.

## **Gender Biased Employment Pattern**

Generally, the job men and women do reflect their positions in society. Particularly, the work women carry out has been reflected in the task assigned them in paid employment. In the years

following the Second World War, it was common practice for male employees to expect female workers to serve tea, clean the offices and even polish their shoes (Bishop, 2005). Women in Japan also, in some circumstances, use the discourse of femininity and gendered work to justify their employment in certain high status careers.

Many companies assume that women are short-term workers; they are not interested in acquiring skills useful to the company. The ideal path for a female employee was shown in cartoon form: at eighteen she enters the company, at nineteen she prepares for marriage by undergoing bridal training, taking company provided classes in cooking, sewing, knitting and becoming feminine, and by twenty-one is at the altar in a wedding dress, quitting the company and using her savings to set up home (Lo, 1990).

Part-time work has increased in many industrialized countries in recent decades. Furthermore part-time work cross-nationally tends to share the following characteristics: it is primarily performed by women, it is associated with marginal employment, its expansion has coincides with a period of economic restructuring, and its increase has coincided with an increase in the number of women in the labor market.

Large firms in Japan started employing part-time workers in 1954. Over the next several decades, the desire to cut wage costs and to increase the flexibility of the workforce, promoted the growth of a female part-time workforce. The increase in part-time work may have institutionalized women's dual burden of productive and reproductive work. If it is customary for wives to work pat-time, this means there is less incentive for men to take care equal responsibility for the care of children, the elderly and housework.

Table 3: Labor employment pattern in Japan (in percentage)

	Male		Female		
Year	Regular	Non-regular	Regular	Non-regular	
	Employee	Employee	Employee	Employee	
2005	82.3	17.7	47.1	52.9	
2006	81.5	18.5	47.1	52.9	

2007	81.9	18.1	46.6	53.4
2008	80.3	19.7	46.4	53.6
2009	81.4	18.6	46.4	53.6
2010	80.4	19.6	46.8	53.2
2011	80.3	19.7	45.4	54.6
2012	80.3	19.7	44.8	55.2
2013	78.8	21.2	44.1	55.9
2014	78.2	21.8	44.0	56.0
2015	78.2	21.8	44.2	55.8

Source: Statistical Handbook of Japan, 2016

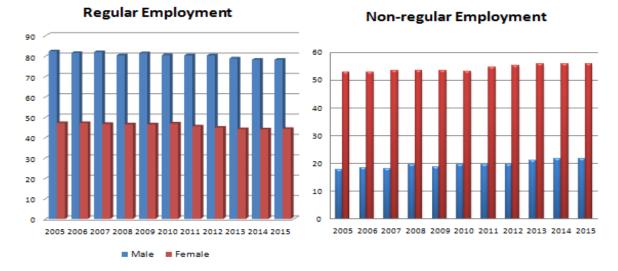


Figure 2: Comparison of regular and non-regular employment pattern (2005-15).

From the employment pattern from 2005 to 2015, it is clear that regular employment is dominated by male labors. The regular employment of male from 2005 to 2012 was above 80 percent. But it started declining slightly from 2013 and becomes 78.2 percent in 2015. The regular employment for females in Japan is far below compared to their male counterpart. It is clear from the data that there is discrimination in employment pattern in Japan. It is assumed in Japan that women are not capable of laborious work like men. Another factor is that women leave their job during the time of marriage and childbirth. This is great loss to the companies providing regular employment to females as they expect that regular workers will work for the company for the duration of their working life. So, females are sidelined to non-regular

employment pattern. Female's participation from 2005 to 2015 represents a decline of about 3 percent.

From the analysis of non-regular employment from 2005 to 2015, it is clear that it is primarily dominated by females. From the data we can see that women's participation in non-regular sector was 52.9 percent in 2005, and it has increased to 55.8 percent in 2015 with a growth of about 3 percent. Women in Japan prefer to work as non-regular employee because of its flexible working hours. As a result they can work after managing their family responsibilities. So, married women and mothers re-enters the labor force as part-time worker.

Male's participation in non-regular employment is very negligible compared to female. In 2005, it was as less as 17.7 percent whereas female's participation was 52.9 percent. In recent years there is little increase in non-regular employment for both male and female. In 2005, male's participation in the non-regular employment was 21.8 percent, a 2.9 percent increase from 2005 participation. There is increase also in the non-regular employment of females from 2005 to 2015. In 2005, it was 52.9 percent but it becomes 55.8 percent in 2015 with a record increase of 3.1 percent. Female's participation in this category is expected to increase steadily in future.

## Discrimination in the Starting Salary of New Graduates

Hiring young workers with a view to long-term employment had been the practice of large firms in Japan. They recruit in the month of March or April, at the end of the school year. The starting jobs of Japanese male and female employees are heavily sex-segregated. There is a variation in the starting salary of new graduates on the basis of gender for different occupations. It is clearly shown in table 4 below -

Table 4: Starting salary for new graduates (in thousand yen)

Sectors	Male		Female	
	2005	2015	2005	2015
Mining	231.1	248.1	217.3	250.8
Construction	219.4	228.3	201.6	233.4

Manufacturing	221.4	228.5	215.1	228.5
Information and Communications	221.0	228.1	219.6	233.0
Transport	202.7	228.9	208.9	222.0
Wholesale and Retail trade	214.7	229.6	209.5	228.4
Finance and Insurance	223.5	231.3	232.3	231.4
Services	223.5	237.0	218.1	238.6

Source: Statistics Bureau, Govt. of Japan, 2016

We can see from the table that in 2005, the starting salary for males in almost all the sectors (except transport and finance) is higher for male than females in spite of being employed in the same sector. In 2005, the starting salary for male in the mining sector was 231.1 thousand yen annually, whereas for females it was 217.3 thousand yen. Although it does not show a bigger difference, yet it indicates that the starting salary is not same for male and females for similar kind of work. Again it is also not true that the starting salary is always greater for males. There are some sectors where women's starting salary is higher than males. Transport and finance are the two sectors in 2005 where female's starting salary is more.

In 2015, the situation has improved slightly. Now in four sectors namely mining, construction, finance and services female's starting salary is greater than male. For other sectors like information and communication, transport, wholesale and retail trade, there is very little difference in the starting salary for male and females. It is also notable that in manufacturing sector in 2015, there is equal starting salary for males and females.

#### Conclusion

Gender discrimination is a universal phenomenon. Japan is not exceptional in this regard. Although Japan is one of the most developed countries, still it is far behind with respect to gender equality. Female's participation in the labor force is well below compared to other developed countries. In addition, there is sex segregation in the work place. Companies don't

want to keep females as regular employees. Women basically form the non-regular workforce and there is huge gender pay gap in Japan. Women's educational background has nothing to do with their choice of employment.

There is discrimination in the occupational structure and promotions also. Males are easily promoted to managerial and administrative posts but it is very difficult for females to get a higher post like that in a company. If a regular female employee leaves a job temporarily at the time of marriage and child birth and comes to join the job again, she is appointed as a new comer. As a result she does not get the advantage of her experience and not promoted to higher post.

Structured law is needed to eradicate gender discrimination from workplace. Presently, Japan is in a difficult phase of economic growth. Day by day its labor force is shrinking as a result of low birth rate and aging population. At this moment women are the only hope of Japan. Women would promote to work full-time; they should be given equal wage and promotion. Number of female would be raised in administrative and managerial posts, and lastly there must be some strict rule so that private companies follow the Equal Employment Opportunity Law (EEOL) which was formulated earlier.

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