



A Social, Economic, and Comparative Analysis of Womenomics

The Roosevelt Institute Center on International Development
Yale University
December 2014

In Partnership with: Carnegie Council for Ethics in International Affairs

Prepared for: Devin T. Stewart, Senior Program Director and Senior Fellow, Carnegie Council for Ethics in International Affairs

Director:

Merita Beriashi

Contributors:

Jacob Faber

Sophia Kecskes

Dimitrios Lippe

Brandon Marks

Kelsey Miller

Roger Ng-A-qui

Mikaela Rabb

Dixe Schillaci

Jinchen Zou

INTRODUCTION

Japanese Prime Minister Shinzo Abe's Womenomics initiative has been met with divided opinions. While some praise the policy for the significant attention it has brought to women's under-representation in politics and the workforce, others denounce it as a superficial campaign which can never achieve all that it promises. Due to Japan's dismal demographics, however, and thereby its shrinking labor pool, diversification of the workforce is crucial to its future growth.

The Roosevelt Institute Center for International Development at Yale sought to create a comprehensive summary of Womenomics as it has been, and is being, implemented to uncover which of its goals are being met. The team of researchers found that though significant steps have been taken by the government, notably through its expansion of daycare and afterschool programs, a large portion of the progress in the workforce can be attributed directly to individual companies which pursue programs that are suited to their own organizations. Challenges to the success of Womenomics, both as directed by the government of Japan, and by individual companies, arise chiefly from cultural and societal norms which propagate inequality and are resistant to change.

SOCIAL AND POLITICAL CONTEXT

ABENOMICS

Abenomics? More than a portmanteau of "Abe" and "economics," it is the current Prime Minister of Japan, Shinzo Abe's response to Japan's continuous economic stagnation stretching from the bursting of Japan's real estate and stock market bubble in 1991, until 2010—or during what many commentators refer to as Japan's "Lost Two Decades."¹ The three arrows in the quiver of Abenomics are monetary policy (striving for a two percent inflation target to end Japan's twenty years of deflation and lack of growth—through quantitative easing, or an increase in the money supply via large-scale asset purchases by the Bank of Japan), fiscal stimulus (i.e. a 10.3 trillion yen, or \$116 billion, government stimulus package), and structural reform measures.² The latter arrow is still being crafted but includes strategies to: close the gender gap by promoting and supporting women in politics and the workforce; attract private investment; and, as Investopedia notes, "...a reform of various regulations to make Japanese industries more competitive. This includes making it easier for companies to fire ineffective workers, something that historically has been difficult from a legal standpoint. Proposed legislation also aims to restructure the utility and pharmaceutical industries and modernize the agricultural sector."³

It is from this three-arrowed policy approach that Womenomics is born. The term was originally coined by Kathy Matsui who now works for Goldman Sachs as the chief Japan equity strategist, and is also an advocate for women in Japan.⁴ She published work on the doctrine known currently as Womenomics regarding Japan in 1999 and it is only now being put into practice by

¹ <http://en.wikipedia.org/wiki/Abenomics>, accessed 10/10/2014

² *Ibid.*, accessed 10/10/2014

³ <http://www.investopedia.com/terms/a/abenomics.asp>, accessed 10/10/2014

⁴ <http://www.goldmansachs.com/our-thinking/archive/bios/kathy-matsui-bio.pdf>

Shinzo Abe. Matsui proposed womenomics as a solution to the problem of the shrinking workforce in Japan, which is partially due to the very low birth rate. According to Matsui's research, if the level of women's employment is raised to the same level as men's, then the GDP will increase by 14% and the workforce by 8 million. Matsui has said that Abe is making great progress: "The fact that he is even mentioning it is massive progress compared to any of his predecessors." One of the main things she wishes to change is the fact that 62% of women quit their jobs after their first child is born. This is an aspect of womenomics that Abe is trying to replicate.⁵

Abe is very concerned with increasing the female labor participation rate, but it is sometimes questioned if that is enough to begin to mend the gender gap. Riwa Sakamoto, who oversees diversity initiatives in the Ministry of Economy, Trade, and Industry, says that solely increasing the female labor participation rate without increasing social support for the balancing of childcare and work will not be beneficial to the economy. Many women work less in order to receive tax deductions, which is a disincentive to work must be dealt with before progress can be made.⁶ A major problem is that Abe has set goals that are rather vague (i.e. 30% of managerial positions must be filled by women⁷), which raises the question of if he is implementing Womenomics for popular opinion. The fact that these goals are vague allows him to make very a safe political move while still saying groundbreaking things. Generally, Abe and the LDP have been proponents of women's rights only when it benefited their party and policy.⁸

WOMEN'S REPRESENTATION IN THE WORKFORCE AND GOVERNMENT

While Japan's education system is one of the most promotive in the world of women's education, in 2011 only 4.5% of company division heads were female.⁹ While this value has increased from 1.2% in 1989, the number of women in company leadership positions is still quite low when compared to other nations in the region. According to a 2011 study conducted by McKinsey, only 1% of senior, executive-committee-level managers in Japan were women. In China this value is 9% and in Singapore it's 15%.¹⁰

Unfortunately, women are often discriminated against from the very beginning of their careers. Despite the fact that companies hire both women and men when interviewing job applicants, women are often directed toward more clerical positions, whereas men are preferred for management roles.¹¹ Yet, many of these women are qualified for much more prestigious roles; for example, "overseas executives [who visit] large Japanese companies tell tales of

⁵ <http://www.bloomberg.com/news/2014-01-21/goldman-s-matsui-turns-abe-to-womenomics-for-japan-growth.html>

⁶ <http://www.japantoday.com/category/opinions/view/womenomics-is-it-working>

⁷ <http://fas.org/sgp/crs/row/R43668.pdf>

⁸ <http://www.eastasiaforum.org/2013/11/09/is-shinzo-abe-really-a-feminist/>

⁹ McKinsey and Company

http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=3&ved=0CCwQFjAC&url=http%3A%2F%2Fwww.mckinsey.com%2Fglobal_locations%2Fasia%2F~%2Fmedia%2Fmckinsey%2F2520offices%2Fjapan%2Fpdf%2Fwomen_matter_an_asian_perspective.ashx&ei=SPFLVPPuFvHLSASsxYGoDQ&usq=AFQjCNFcBc4V3nrHPmL_bnhjVLDPP5VB3Q&sig2=DZ_EWWicWrca2oGVjPPvDQ&bvm=bv.77880786,d.cWc

¹⁰ Ibid.

¹¹ Ibid.

über-secretaries with the talent to run the whole business.”¹² Further, many women are not even given full-time positions, especially after taking time off to raise children; they comprise 77% of Japan’s part-time and temporary workforce, according to a 2012 study.¹³

In Japanese corporate culture, employees are typically hired by one company following their university graduation and remain at that workplace for their entire life. This poses challenges for employees who desire career breaks, such as to raise a child. Many older women are discriminated against and not hired following maternity leave; companies would rather hire younger male individuals for high-level positions who they feel confident will remain faithful to their company for longer.¹⁴ Further, even after becoming employed, mothers are at a disadvantage in their likelihood for promotion. As an *Economist* news briefing explained, “promotion tends to be based on tenure and overtime, rather than on productivity and performance.”¹⁵ Many women who need to be home with their kids following work and cannot stay at the office until eleven or twelve at night are overlooked for promotions, not due to the lack of quality of their work but because their lifestyles are not conducive to the behaviors that Japanese executives reward.¹⁶

Similarly, women are under-represented in politics as well. Japan ranks 123rd out of 189 countries in a global evaluation regarding the role of women in parliament. Women hold 8% of seats in the lower house of Japan’s Diet, as well as 19% in the upper house. Further, the women who are elected are not respected or listened to in parliament.¹⁷ The older, more traditional generation of legislators still holds most clout and authority.

In addition to a culture of excessively long working hours, Japanese business culture is dominated by the tradition of nomication, in which young workers spend hours drinking together to build relationships and earn the respect of their colleagues. Women are not respected or often welcome in such circles. While some women are increasingly allowed to join and drink plum wine instead of beer, many claim that even this beverage difference is completely detrimental in women’s efforts to gain their male colleagues’ favor.¹⁸

Yet, improvement has been significant. According to a recent *Guardian* article, the government has greatly increased the number of women they employ. In January 2013, only 28 of the 9,691 senior officials in central government ministries and agencies were women. One year later that number stood at 287 women.¹⁹

¹² <http://www.economist.com/news/briefing/21599763-womens-lowly-status-japanese-workplace-has-barely-improved-decades-and-country>

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ <http://www.theguardian.com/public-leaders-network/2014/feb/15/japan-women-government-posts-civil-service>

TRENDS IN JAPANESE CORPORATE CULTURE

CULTURAL HOMOGENEITY AND DECREASED INNOVATION

An overview of Japanese culture by Western Washington University's Asia University Program picks up on a number of attributes that contribute to the complexity and idiosyncratic nature of Japanese corporate culture. Most notable, is that, "[The] Japanese view their country as racially and culturally homogeneous with a long history of tradition, so it is assumed that everyone knows and will play by the unspoken rules of the majority culture."²⁰ To say that all Japanese are conformists, however, would be erroneous, as it would neglect the consideration that we all conform to normative prescriptions of the cultural matrix of the social networks we inhabit.

Nevertheless, deference to the norms of majority culture likely plays a role in why, as a 2013 NY Times article by Martin Fackler highlights, "For years, sagging entrepreneurial spirit has been cited as a major reason for Japan's inability to save itself from a devastating deflationary spiral. The nation that produced Sony, Toyota and Honda has created few successors."²¹ When young Japanese entrepreneurs saw that the most prominent entrepreneur to emerge from Japan's embrace of young entrepreneurs eleven years ago, Takafumi Horie, was imprisoned for securities fraud, "...his guilt or innocence was not the story. They saw his downfall as a cautionary tale of how Japan's graying establishment would crush those who challenged its rules."²²

OBEDIENCE, STRESS, AND A FRACTURED CORPORATE STRUCTURE

The norm in Japanese corporate culture of exceeding acquiescence to authority sheds further light on Japan's fractured corporate structure. Hitting the nail on the head once more, an open letter to the NY Times in December 2011 stated that, "The scandal over false accounting at Olympus is symptomatic of a work ethos in Japan by which only 'yes' men and women get employed. Japanese companies are rigid in their recruitment policies to the point of moral exclusion.... Prospective employees are trained to regurgitate a stream of meaningless politeness and perform tricks like pets. The bosses love it."²³ Continuing this reasoning, Kiyoshi Kurokawa, a professor emeritus at Tokyo University, states that within the workplace there are "ingrained conventions of Japanese culture: our reflexive obedience; our reluctance to question authority; our devotion to 'sticking with the programme'; our groupism; and our insularity" (The Guardian-Nick Thomson).

²⁰ <http://www.wwu.edu/auap/english/gettinginvolved/CultureComparison.shtml>, Accessed 9/29/14

²¹ <http://www.nytimes.com/2013/12/26/business/international/japanese-entrepreneurs-receive-tentative-embrace.html>

?pagewanted=all, Accessed 9/29/14

²² Ibid., Accessed 9/29/14

²³ <http://www.nytimes.com/2011/12/22/opinion/japans-corporate-yes-culture.html>, Accessed 9/29/2014

This type of business environment not only prevents a framework of internal checks-and-balances by employees, but also leads to corrosive stress. The Japanese workplace is mostly comprised of men—stressed men. According to Asia Times, “stress is five times more lethal than traffic accidents in Japan, and one of the leading causes of death in men aged 20-44” (Asia Times- Heenali Patel). This emphasis on performance leads to a mutually reinforcing downward spiral that decreases worker productivity. For example, “as for regular employees, while most are entitled to 18 days of annual holiday, only 39% of these days are used on average. 17% of Japanese workers do not take any holidays at all, the highest proportion out of all countries surveyed by Expedia” (Asia Times-Patel). That said, it is important to keep in mind that the long working hours in Japanese corporations are not exploitation by corporations. Rather, they should be viewed from a give-and-take perspective. Japanese employees pledge to work hard in exchange for lifetime employment. In other words, it is a trade-off between job security and leisure time. The relevant mechanisms are *Shinsotsu-Ikkatsu-Saiyō* (新卒一括採用) which is a custom where companies exclusively hire and employ new graduates and *Syushin-Koyō* (終身雇用) meaning “lifetime employment”. This model indeed causes stress as previously noted, but it also implies company loyalty—perhaps operating as a supplement to the culture of obedience.

NEGATIVE OPINIONS OF ACTIVIST INVESTING

As a May 2013 article by Hiroko Tabuchi featured in NY Times’ *Dealbook* notes, “Prime Minister Shinzo Abe, who took office in December, has promised to shake up corporate Japan by removing onerous regulations, protections and inflexibilities that have sapped profitability and hampered serious revamping.”²⁴ Japan’s economy, in terms of its regulatory burdens and protections, is not so dissimilar from Western economies such as the United States’. One of the inflexibilities Prime Minister Abe refers to, however—and one of the salient differentiating characteristics of Japanese corporate culture—is the attitude of Japanese businesses towards activist investing. Activist investing is the act by an individual of obtaining large amounts of company shares or seats in an effort to increase one’s stock in a company and bring about management changes. “Active investing,” the article continues, “Has long been seen in Japan as a dangerous, alien practice led by foreigners, or cheeky locals who dare imitate them. And in past cases, lenders, bureaucrats, other shareholders and even rivals have swooped in to rescue companies from investors’ talons. Of the 23 hostile takeover bids in Japan since 2000, only 7 have been successful, according to Dealogic.”²⁵ Activist investors, such as Daniel S. Loeb, who are urging Japanese businesses to revamp themselves—and in doing so become more profitable—have had their efforts deflected.²⁶ Such a practice in Japan, from an American

²⁴ <http://dealbook.nytimes.com/2013/05/14/japan-braces-for-challenge-by-u-s-investor/>, Accessed 9/29/2014

²⁵ *Ibid.*, Accessed 9/29/2014

²⁶ *Ibid.*, Accessed 9/29/2014

viewpoint, exchanges corporate development and economic success for autonomy and self-righteousness.

RESTRICTIONS TO FEMALE BUSINESS ENTRANCE

A major barrier to female entry to corporate Japan is the prevailing notion of the traditional Japanese family. The government believes women to be machines for the production of workers rather than contributors to Japanese professionalism. In 2005, Shinzo Abe and other conservatives warned of the damage to family values if equality were pursued—his complete reversal of this idea 9 years later then seems rather hypocritical.²⁷ Hope for the future, however, lies in the shifting attitudes of the Japanese people. 1 in 5 young men said that they wanted their future wife to stay in the home and last year only 33% of women wanted to be full-time housewives compared to 70% in 1979 who said that “The husband should be the breadwinner and the wife should take care of the home”.²⁸ Society is changing in Japan, the question is whether or not the corporate culture will catch up.

DEMOGRAPHICS

The demography of Japan is characterized by two ongoing trends: its abnormally low fertility rates and its rapidly aging population. The effects of these trends have resulted in the shrinking of the labor force at both ends of the age spectrum. The number of non-working elderly is increasing due to population aging while the number of potential future workers is decreasing due to low birth rates.

It is important to note that these population trends have been ongoing in Japan for several decades. The long-term implications of Japan’s demographic shifts are only beginning to come to light, and the Womenomics initiative is only one policy-based method that the Japanese government is currently implementing to decrease the severity of the trends’ effects on society.

THE AGE STRUCTURE

After World War II, Japan experienced a “baby boom” much like the United States. In the three year period from 1947-1949, the number of births surpassed 2.7 million. After peaking in 1949, the birth rate started on a path of rapid decline, the “baby bust,” facilitated in part by the rising popularity of government-sponsored family planning services such as contraception and abortion.²⁹ With low fertility rates continuing on in the decades following, staying consistently

²⁷ <http://www.economist.com/news/briefing/21599763-womens-lowly-status-japanese-workplace-has-barely-improved-decades-and-country>., Accessed 9/30/14

²⁸ Ibid., Accessed 9/30/14

²⁹ http://jica-ri.jica.go.jp/IFIC_and_JBICI-Studies/english/publications/reports/study/topical/ssic/pdf/ssic.pdf

under the replacement level of 2.1 births since the 1970s, Japan currently has a negative population growth rate of roughly -0.13%.

As the fertility rate decreased, the population continued to age: the “baby boom” cohort is facilitating a massive influx of Japanese persons aged 65 years or older of approximately 32,960,000, and analysts expect the 65+ proportion of the population will rise above 30% by 2024.³⁰ By 2060, the Japanese government projects that people aged 65 and older will compose 40% of the population.³¹ These numbers have concerning effects on the age-dependency ratio, a demographic metric used to determine the ratio of dependents (persons aged under 15 or over 64) per 100 people of working age (persons aged 15-64). For Japan, the current ratio is approximately 62.³²

The figure below represents the irregular state of Japan’s age pyramid as of 2014.³³ Japan’s age structure illustrates an abnormal “clumping” of baby boomers now aged 40-65, a group that will phase out of the working population within the next 25 years. Also of note are the relatively small proportions of Japanese persons under the age of 35, who will join the working population within the next 25 years.

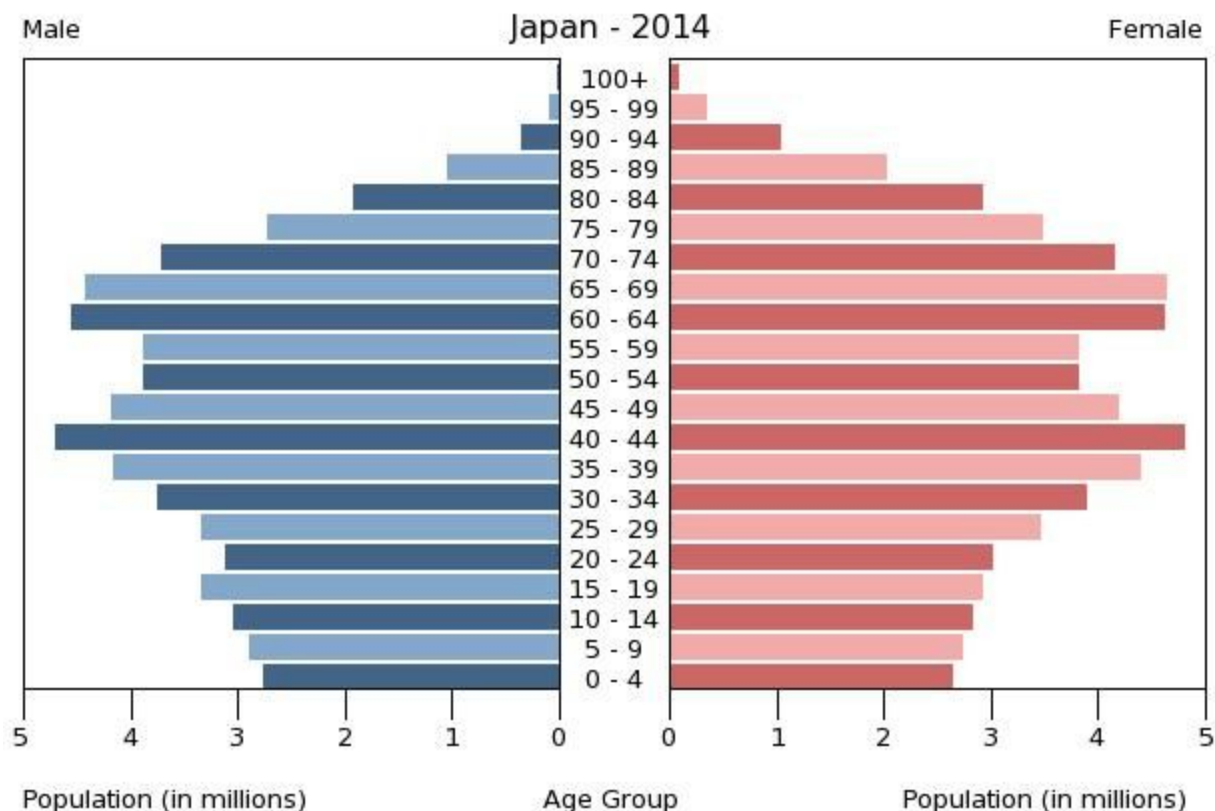
The economic implications of such an age structure are severe. The welfare programs required to care for a large number of aging Japanese citizens will only increase in cost as years pass. The financial burden on the current and future working populations to cover these costs will also be a great concern. The Womenomics Initiative takes great interest in increasing the working

³⁰ <http://www.forbes.com/sites/stephenharner/2014/09/15/japans-demographic-collapse-and-its-peace-constitution/>

³¹ Ibid.

³² <http://data.worldbank.org/indicator/SP.POP.DPND>

³³ <https://www.cia.gov/library/publications/the-world-factbook/geos/ja.html>



population by encouraging more women to enter the workforce to decrease the financial impact of population aging and decreasing fertility, as well as its cumulative effect on the country's age dependency ratio.

THE EFFECTS OF URBANIZATION

As these demographic trends persist, the constant urbanization of Japan is also of interest to Japan's economic future. Roughly 92% of Japan's population resides in urban areas.³⁴ Many rural areas in Japan have suffered as consequence: local industries and services have shifted to the cities, leaving many rural Japanese citizens, particularly the elderly without proper medical and administrative services needed to live comfortably. Local industries such as agriculture and fishing have stagnated in these areas over the years, and as urbanization continues, hopes of these industries returning to prominence are under threat.³⁵ The average age in rural areas continues to rise as younger Japanese citizens flock to the cities for economic opportunities. Rural depopulation is one half of an overcrowding problem in urban areas, and the strain on municipal governments will sustain if urbanization rates continue.

³⁴ <http://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS>

³⁵ http://www.japantimes.co.jp/opinion/2013/04/17/editorials/japans-depopulation-time-bomb/#.VHF1r_nF8df

There is said to be a “unipolar concentration problem” in Japan, which describes the phenomenon of political, economic, and socio-demographic activities converging in Tokyo.³⁶ The consequential disparities of wealth and power between urban and rural residents will be very relevant in the Japanese government’s quest to get more Japanese working. Realistically, there must be partnerships between central government and rural communities for full-scale engagement in the labor force. Otherwise, these rural areas face serious depopulation problems that are not sustainable long-term. It is not ideal for the entire population to reside in urban areas, as capacity problems in cities are bound to occur over time.

THE ROAD AHEAD

The demographic trends outlined above are nearly impossible to counteract. Governmental policies can only hope to alleviate the effects of existing population dynamics by addressing the social burdens that they cause. With such a looming future ahead, Japan’s government either has to accept a lower position on the world stage or make major policy changes to diminish the effects of the country’s current population processes. Prime Minister Shinzo Abe’s Womenomics initiative is only one part of the government’s efforts, but it has the potential to empower Japanese women to find solutions to many of the demographic challenges ahead and to participate in the economy long-term.

While the trends in Japan are severe, they are not unique to Japan. How the country responds to the demographic challenges ahead will likely inform other countries facing lower fertility rates and population aging on how to proceed with public policy. Demographic trends determine the future of social welfare services available to a country’s population and how much they will cost. For Japan, the challenges are sizeable, but Prime Minister Abe’s efforts to address the country’s economic future shows that these demographic issues cannot be ignored in domestic and international politics.

PERCEPTIONS OF THE INITIATIVE

As a means to advance gender equality, about 60 percent of Japanese people think that the government should promote support systems to assist parents with child care.³⁷ A 2013 study conducted by the Meiji Yasuda Institute for Life and Wellness³⁸ sheds light onto questions regarding perceptions within Japanese society of the differing gender roles in the working sector of society. About 88.5% of women and 78.1% of men rate money as the most important factor that contributes to their happiness. Men’s stress can likely be attributed to this prioritization; there is a perceived and historical burden impelling them to serve as the breadwinner for their entire families.

³⁶ <http://thediplomat.com/2014/02/japans-rural-urban-divide/>

³⁷ http://csis.org/files/publication/130711_Nakano_WomenInJapanesePolitics_JapanPlatform.pdf

³⁸ http://www.myilw.co.jp/life/enquete/pdf/22_01.pdf

In part due to this stress, more men than women think that women should participate in the workforce. Only 65% of women want to work full-time before they have children, indicating an expectation that men provide for their wives. This number dramatically drops once one has young children. Only 7.8% of women want to work full-time, compared with 19.3% of men who believe women should keep their full-time jobs after childbirth.

This difference becomes even more apparent when considering the period after children have begun kindergarten. 28.8% of women want to work full time, as opposed to 42.4% of men who think women should be working full-time while their children are in elementary school.³⁹ This dichotomy is especially significant considering that the Womenomics initiative has largely been led by *men* in government positions. Such privileged men are likely to have drastically different views on women's role in the economy than mothers who experience the direct consequences of sacrificing quality time in with their young children. Clearly, Womenomics would benefit the Japanese economy, but maybe that's not the only factor that should be considered.

Further disenfranchising women's participation in the workforce is that Japanese women's salaries are only 57% of what men earn.⁴⁰ Although the Equal Employment Opportunity Law was passed in 1987, very little progress has been made to reduce this gap.⁴¹ Why would women want to take a job that so strongly discriminates against them?

Some women also question whether quotas are the best way to achieve true equality. For example, at a 2014 British Chamber of Commerce in Japan event "What do we really want? Women and Womenomics," Haruno Yoshida, President and CEO of BT Japan, explained that, she was "against the idea of quotas since true change would have to come from male managers gaining a deeper understanding of equality, as opposed to firms simply engaging in a numbers exercise."⁴²

Another challenge many Japanese women encounter when considering their thoughts on Womenomics and their changing role in the workforce is the concept of *wa*, the sense of harmony in Japanese society. Considering that women are taught to respect this from birth, many shy away from self-advocacy and strong leadership styles. However, Haruno Yoshida explained, "*wa* is about respect and understanding, it's not about avoiding conflict. Sometimes we have to have conflict to achieve greater understanding and a respect that's not just on the surface."⁴³ Haruno advocates for more men taking ownership of gender equality as well as women assuming leadership roles and not being afraid seeming strong; she explains that the women of today must work to pave the way for the empowerment of tomorrow's women.

³⁹ <http://cogitasia.com/womenomics-happiness-for-all/>.

⁴⁰ <http://thediplomat.com/2014/08/south-koreas-failure-to-support-working-women/>.

⁴¹ <http://www.japantimes.co.jp/opinion/2013/04/21/commentary/saving-japan-promoting-womens-role-in-the-workforce-would-help/#.VFgQlfTF8dI>.

⁴² <https://www.bccjapan.com/news/2014/09/women/>.

⁴³ Ibid.

IMPLEMENTATION BY THE GOVERNMENT

In 2010 Prime Minister Abe set the goal of increasing female participation in the workforce to 70% for ages between 25 and 44. To fully reach the goal, the government outlined certain approaches: increasing childcare, allowing foreign housekeepers, expanding childcare leave benefits, encouraging more men to take childcare leave, encouraging private sector promotions, and revising the tax code.⁴⁴ Concern arises over many of these plans remaining on the drawing board or with significantly slower implementation than expected. There's a plethora of goals, but not enough plans.

CURRENT EFFORTS

As of 2013, the labor participation rate for women increased to 63% from 60% in 2010.⁴⁵ Child care capacity successfully expanded from 2.16 mn to 2.29 mn and businesses are beginning to disclose information pertaining to gender.⁴⁶ To make the businesses environment more family friendly, childcare leave compensation increased from 50% to 67% of salary for sixth months and remaining at 50% for the remainder.

FUTURE PLANS

For childcare, the government plans to increase structural space to accommodate 400,000 more children by adding more locations and hiring more teachers. The goal is to get rid of the wait list for child care by allowing more private companies into a state dominated sector. Unfortunately, many people do not trust childcare facilities with their children. To solve this, the government is considering allowing the immigration of foreigners to Japan to act as personal nannies.

The government is looking for ways to increase the amount of fathers taking childcare leave. Germany and Sweden both provide positive examples to emulate. The effort to increase men who take leave to 13% by 2020 will take more government policies and support from the private sector to change compensation and culture.⁴⁷

The private sector plays a key role in increasing women in the workplace and improving their experience. The government is encouraging companies to promote a minimum of one female executive to help reach the goal of women taking 30% of leadership positions in the country by 2020. Right now, companies can voluntarily report gender related information with the possibility of subsidies being discussed by the government. This disclosure will become required by March 2015.

Japanese couples can currently receive a \$3,400 tax deduction if one partner earns about \$9,700 or less. This person is often the woman if the male is the primary earner traditionally in Japan. However, the Japanese government has plans to “review the systems by the end of this year in a comprehensive manner”—that is, the end of 2014—according to government officials. The

⁴⁴ <http://fas.org/sgp/crs/row/R43668.pdf>

⁴⁵ <http://www.goldmansachs.com/our-thinking/outlook/womenomics4-folder/womenomics4-time-to-walk-the-talk.pdf>

⁴⁶ Ibid.

⁴⁷ <http://www.scmp.com/news/asia/article/1495347/japan-encourages-fathers-take-more-active-role-child-care>

problem with this however, is that it is currently just talk. The government has yet to take action with regards to taxation.

CONCLUSION

The plans for womenomics appear to remain in their infancy. Work should be done to expedite the arrival at these goals. The mild successes thus far show the potential for further gains which will not be realized without deliberate and strong measures both in and by the government. Swift action could come to reform the tax system, corporate disclosure, government incentives to corporations, and allowing migrant nannies

WOMENOMICS IN THE GOVERNMENT

Abe's plan for Womenomics seeks "government efforts to promote women's participation in various sectors of society," according to the Japanese press.⁴⁸ However, Abe and his government may want to look inward, at their own sector, before looking elsewhere: Japanese women's participation in government is abysmal. Japan ranks 134th in the world for number of women in parliament, with women occupying only 39 out of 480 seats — that's 8.1%.⁴⁹ A Global Gender Gap report from 2013 put Japan at 118th in the world for measures of political empowerment for women, giving it a score of 0.06 on a scale where 0 means total inequality and 1 means equality. For the number of women who fall under the label of "legislators, managers, or senior officials," Japan ranks 106th, with a score of 0.1. On a scale of 1-7, with 7 being the most opportunity, Japanese women's ability to rise to positions of enterprise was ranked at 4.⁵⁰ The countries that surround it on the list are mostly developing African or Latin American countries.⁵¹ All of this is in spite of Japan's women being among the most educated in the world -- Japan ranks 1st in the world for literacy rates.

CURRENT EFFORTS

To combat this inequality, Abe recently placed five women in his cabinet, which is the second time a Japanese cabinet has ever had that many women. In September, his government announced that the majority party will be appointing women as chairs of committees in the legislature. These are good first steps but the Japanese government is still very unequal. Women currently occupy about 9% of higher-level positions (including the legislature), whereas this is a much more equal number in other developed countries.⁵²

One of the main points of Womenomics is "Recruiting and Promoting women in government". Abe appointed a woman as the Vice Minister of the Ministry of Health, Labor and Welfare in 2013, which was the first time this had happened in 16 years. Additionally, Abe appointed a woman as Executive Secretary to the Prime Minister for the first time in Japanese history. During Abe's first term, his party, the Liberal Democratic Party, made a goal to have 30 percent

⁴⁸ <http://thediplomat.com/2014/09/a-checkup-for-japans-womenomics-policy/>

⁴⁹ <http://www.ipu.org/wmn-e/classif.htm>

⁵⁰ <http://www.weforum.org/issues/global-gender-gap>

⁵¹ <http://www.ipu.org/wmn-e/classif.htm>

⁵² <http://thediplomat.com/2014/09/a-checkup-for-japans-womenomics-policy/>

of the members of the Diet be women by 2020, but that goal is not close to being realized at this point.

Litigation may also play a role in empowering women: later this month, the Japanese Supreme Court is set to rule on its first case involving discrimination and harassment as a result of pregnancy.⁵³ It will be a place for the governing bodies of the country to set a precedent for cultural attitudes toward women.

CHALLENGES

As Hillary Clinton told Abe this fall, a viable solution of the gender gap in politics in Japan is focusing on the political culture. Women have a very difficult time in the male dominated space of politics. For example, there is a stigma within political parties that women are invading a male space, mostly in the Liberal Democratic party.⁵⁴ Female politicians have been heckled in the past, including a 2014 incident during which other legislators actually told her to “Hurry up and get married!” as well as “Can’t you have babies?” This sexist culture must be addressed in order to allow women to enter into politics; solely putting women in the political leadership is not a complete solution.⁵⁵

WOMENOMICS IN THE CORPORATE SECTOR

Companies provide a clear picture of the story and implementation of womenomics. The rate of women in the workforce and women in leadership roles will only change with corporate action. Companies can train and promote women. Companies can change the working culture. Companies can enable mothers and fathers to take time off and then return to the workforce. Therefore, an examination of corporate policies and programs may help to inform the Japanese government on possible efforts and proposals to achieve their womenomics goals.

CASE STUDY: SHISEIDO

Shiseido Company, Limited is the top cosmetics and hair care product company in Japan and the fourth largest cosmetics company in the world, operating in 88 countries⁵⁶. It is one of the oldest companies in Japan. Led by Shiseido’s vice president between 2008 and 2012 Kimie Iwata, who previously successfully spearheaded the push for Equal Employment Opportunity Law that initiated the movement behind “womenomics,” Shiseido has implemented various measures to try to achieve internal standards for promoting womenomics and changing the company culture around the idea of women in the workforce.⁵⁷

As a result of the company’s efforts, Shiseido earned the recognition of Diversity Management Selection 100, which the Ministry of Economy, Trade and Industry (METI) awarded in 2013 to

⁵³ <http://thediplomat.com/2014/09/a-checkup-for-japans-womenomics-policy/>

⁵⁴ <http://artsonline.monash.edu.au/mai/files/2012/07/emmadalton.pdf>

⁵⁵ <http://fas.org/sgp/crs/row/R43668.pdf>

⁵⁶ http://www.goldmansachs.com/our-thinking/investing-in-women/bios-pdfs/womenomics3_the_time_is_now_pdf.pdf

⁵⁷ <http://www.ohio.com/business/japanese-female-executive-aims-to-elevate-her-gender-1.247434>

42 other companies for “creation of innovation and improvement of productivity by utilizing various human resources, including women, foreign people, the elderly, and people with disabilities.”⁵⁸

For Shiseido, as a cosmetics company with a target audience of women, having more women in the company has benefits that go beyond achieving goals set by Prime Minister Shizo Abe. According to a report titled “Women Matter: An Asian Perspective, Harnessing Female Talent to Raise Corporate Performance,” having more female employees could also “sustain good relationships with female clients” as well as providing “more female insight into consumer buying patterns.”⁵⁹

However, the company’s efforts to address the lack of women in the workforce goes back to the early 1990s. Childcare support programs the company actively provides and improves include generous paid leaves of absence, flexible and shorter working hours, subsidies for daycare, childcare facilities.⁶⁰ The company also encourages men to take more paternal leaves and work more reasonable hours.⁶¹ In addition, the company addresses some of the underlying cultural factors that contribute to the lack of diversity in the workforce. Shiseido places a distinction between women who are ambitious and lack the means to move up the corporate ladder and women who are complacent with their current position.⁶² For the first group, Shiseido implements skills and capacity building programs to allow women to gain the skills needed to move up and places emphasis for human resources to actively include women in internal promotions and external hiring considerations. For the second group, Shiseido tries to change the mindset of those women to encourage more ambition. Another innovative program Shiseido implemented in 2006 was the “Kangaroo Staff” program in which “part-time workers fill in for Shiseido's beauty consultants needing time to care for children.”⁶³ This way, the positions that women held will still be retained when the workers return after a maternity leave.

NADESHIKO BRANDS

The Japanese Ministry of Economy, Trade and Industry and Tokyo Stock Exchange created the “Nadeshiko Brand” to highlight companies for social interest investors. These 26 companies lead an industry in how they both integrate or promote women and on their rate of expected return. The seven companies which appear on the list for both years provide a unique insight into how a company can succeed at diversification and economic growth.

⁵⁸ http://www.meti.go.jp/english/press/2013/0322_01.html

⁵⁹ McKinsey and Company

http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=3&ved=0CCwQFjAC&url=http%3A%2F%2Fwww.mckinsey.com%2Fglobal_locations%2Fasia%2F~%2Fmedia%2Fmckinsey%2F520offices%2Fjapan%2Fpdf%2Fwomen_matter_an_asian_perspective.ashx&ei=SPFLVPPuFvHLSASsYGoDQ&usq=AFQjCNFcBc4V3nrHPmL_bnhjVLDPP5VB3Q&sig2=DZ_EWWicWrca2oGVjPPvDQ&bvm=bv.77880786,d.cWc

⁶⁰ <http://edition.cnn.com/2013/05/21/business/japan-women-economy-womenomics/>

⁶¹ <http://blogs.wsj.com/japanrealtime/2014/07/15/toyota-shiseido-others-plan-to-boost-women-managers/>

⁶² McKinsey & Company

⁶³

<http://www.smh.com.au/executive-style/executive-women/shiseido-exec-aims-to-elevate-women-20111124-1nvxy.html>

Toray Industries, Inc. (Fabricated textile products)

There is a focus on global competitiveness/global expansion that I think makes it more conducive to women in the workplace. Because they have so many employees in so many countries, there are different cultures that are meeting and they are adapting to said cultures. This company was selected for a second year.⁶⁴

Asahi Glass Co., Ltd. (Glass and clay products)

They emphasize that because the market is becoming diversified amid globalization, human resources/suppliers need to be more diversified. They also view their European board as having a good gender-balance and see why that benefits the overall corporation.⁶⁵

Sumitomo Metal Mining Co., Ltd. (Non-ferrous metals)

Sumitomo is a metal mining company looking to expand globally and already has a philosophy for a sustainable society. Their website states one of their missions: “SMM shall, based on respect for all individuals and recognizing each person’s dignity and value, seek to be a forward-minded and vibrant company.” Sumitomo expanded opportunities for women get have children or get married to encourage them to remain with the company for the long term. Sumitomo encourages employees to take paid leave and put a cap on the amount of hours a person can work. Sumitomo created a return to work program or a reduce work hours program for parents focusing on childcare. Sumitomo has also completed an in house audit of its work environment.⁶⁶

Nissan (Transportation equipment)

One thing Nissan stresses in a realistic approach. Nissan’s development office sees the initiative of Womenomics not as being kinder towards female employees, but recognizing real strengths they can bring to the marketplace. The maternity leave offered by Nissan can last up to 2 years and 11 months. This is longer than the current legal limit in order to make the process easier for female employees to return to the workforce. Nissan also has opened three on-site daycare centers in Japan. One reason for Nissan’s success is that the company is run by a foreigner, CEO Carlos Ghosn who is French-Lebanese-Brazilian who is not used to the typical gender roles in Japan. Nissan has seen the need for females and has put many of them in charge of product development because 60% of final car-purchases are decided by women. Nissan leads Japan's automakers in female executives, with women accounting for about 7 percent of its Japanese managerial ranks. It aims to boost that to 10 percent by 2017. CEO Ghosn has stated that he feels it is rather ambitious to get 30% of managers female. His fear is that they rush into this, without considering what will happen after. He does not want many females to fail because they don’t have the proper schooling, and have that reflect bad on all females.

Tokyu Corporation (Land transport)

⁶⁴ <http://www.toray.us/aboutus/philosophy.html>

⁶⁵ http://www.meti.go.jp/english/publications/pdf/journal2013_06b.pdf

⁶⁶ http://www.smm.co.jp/E/csr/report/pdf/csr2013_allpages.pdf

Tokyu is a land transportation company which own eight rail line, runs an urban development program with the largest privately owned town in Japan, a life services businesses for people within its railway domain, and a hotel business. Tokyu hires women for on site work at railway stations and has 11 current female company leaders, one department director and 10 other managers. In April 2008, Tokyu began a “Come Back” program for women, who took a leave of absence for childcare, to apply to rejoin the workforce up until April 30th of the year their child enters fourth grade.

As part of the newly established Diversity Promotion P.T, Tokyu opened a “Livable Kids Room” facility for parents who want a trustworthy child care facility. Tokyu is educating employees on diversity issues and providing females career training. Tokyu is also pursuing the goal of 10% female managers by 2018, and Tokyu is making working hours more flexible for employees with children or senior who need care. Tokyu also received the **Kurumin mark** for their efforts to urge males to take childcare leave and for all employees to take off holidays.⁶⁷

Tokyu has also started programs to facilitate the travel of international visitors, highlighting the commonality of an international mindset among Nadeshiko brands.⁶⁸

KDDI Corporation (Information and Communication)

They were recognized two years in a row as well. KDDI advocates for the balance of work and family. One way they do this is by encouraging male employees to play a greater role in child care. Flexibility is something they seem to emphasis. “KDDI has set concrete numerical targets for promotion of women by FY2015” however I have not been able to find these numbers.⁶⁹

SUMMARY

Key Practices:

- ❖ Company provided childcare facilities
- ❖ Longer childcare leave
- ❖ Incentives to take maternity and paternity leave
- ❖ Development of reduced work programs for parents who wish to work and take care of a child
- ❖ Development of return to work programs for parents returning from long term leave
- ❖ Making and meeting female participation and managerial goals
- ❖ Offering female career training
- ❖ General culture improvement
 - Educating employees on diversity issues
 - Limiting the amount of weekly work hours

⁶⁷ <http://www.tokyu-fudosan-hd.co.jp/english/csr/employment/>

⁶⁸ <http://www.marketwatch.com/story/tokyu-corporation-japans-leading-private-railway-and-diversified-business-operator-based-in-shibuya-to-operate-free-english-audio-tours-on-sightseeing-buses-equipped-with-complimentary-wifi-2014-06-27>

⁶⁹ <http://www.kddi.com/english/corporate/csr/evaluation/>

CONCLUSION

Multiple common trends exist through these seven companies. Many of these, and others from the list, have an international focus from either a foreign CEO, a focus on foreign customers, a plan to expand globally, etc. This international mindset may provide the common link explaining the focus on diversity and women. Also, many of these highlighted companies have lower standards for female integration and view the government goals as unrealistic. As an example for other companies, the Nadeshiko brand companies make returning to work after childcare leave more accessible, steadily increase the amount of promoted women, and focus on fostering a more positive overall work environment for men and women. Many of these efforts began before the government focus on Womenomics and have a more holistic approach than a direct focus on women. It appears these companies focus holistically on improving the work culture, which women are a significant part of.

FOREIGN COMPARISONS

SOUTH KOREA

As the fastest aging nation out of OECD countries, South Korea is facing a similar situation as Japan.⁷⁰ Culturally, these countries have many similarities, rather than Scandinavian countries, therefore South Korea provides a very applicable case study for Japan. Since the 1970s, the economic miracle in Korea was spurred by women, who worked low-status and low-wage jobs in the manufacturing sector. In 1960, the female labor participation rate was just at 26.8 percent, but by 1995 it grew greatly to 47.6 percent⁷¹. Until the 1990s, women worked in labor-intensive jobs that contributed greatly to South Korea exports. Yet, women are rarely cited for this economic growth and now remain an untapped portion of the workforce, as just 57% are economically active.

In the workforce, South Korea struggles with these demographic transition, especially how it will impact the workforce. Despite rapid urbanisation, 70% of South Korean elderly still live with their children and depend on the children for support.⁷² However, this burden of care is slowly shifting from families to the general taxpayer. Even with a national pension, South Korea is unable to cover this large population and has recently cut pension amounts. Although pay and position in a firm rise with seniority, the ability to adapt with technology and productivity do not.⁷³ Therefore, many are pushed out of the workforce to other jobs not related to their main career. Now, to address the mismatch in productivity and pay the government is pursuing two solutions. The first is to update the skill sets of older workers to match the contemporary and

⁷⁰ <http://www.economist.com/news/special-report/21588200-south-korea-needs-make-better-use-its-older-workers-54th-parallel>

⁷¹ <http://thediplomat.com/2014/05/south-koreas-woeful-workplace-inequality/>

⁷² <http://www.economist.com/news/special-report/21588200-south-korea-needs-make-better-use-its-older-workers-54th-parallel>

⁷³ Ibid.

technologically advanced times. The other is to lower the pay to the productivity level. In April of 2013, the government passed a law to phase in a minimum retirement age of 60.⁷⁴ Agreements have been made to encourage a highly-controversial “wage-peak” system that awards workers their highest pay, when they are the most productive.⁷⁵ However, this system breaks the traditional hierarchical culture of South Korea, where older members held the high positions, but now younger workers can beat out their older counterparts for coveted positions. Yet, there is little to suggest that age correlates to productivity, rather in South Korea it is a consequence of the lack of training for older workers.⁷⁶

Coupled with a demographic challenge, South Korea must also face its gender inequity. According to the 2013 Global Gender Gap Report, South Korea ranks even below Japan at 111, compared to Japan’s ranking of 105.⁷⁷ As South Korea’s first female president, Park Geun-hye has made changes for gender equality, but there is still vast room for improvement. The working culture of Japan and South Korea are quite similar. Both require long hours at work and then culturally compulsory, additional unpaid hours of socializing after work.⁷⁸ Although women and men have equal numbers of college graduates, women face immense obstacles afterwards. Out of OECD nations, South Korea ranks last for employing women graduates.⁷⁹ The pay-gap and responsibilities at home force women to leave the workforce, or only work part-time. Compared to Japan where women earn only 57% of what men earn, in South Korea this disparity is larger and women only earn 44% of what men earn.⁸⁰

As women near childbearing age, they either choose to leave the workforce and have children or are forced out because their male counterparts do not believe that they are able to raise children and work simultaneously. Between the ages of 30 and 39, the female participation rates are 15 points lower than the national average.⁸¹ Furthermore, the workforce lacks highly educated women in senior positions, because women are forced out of the workforce by this time. According to the World Economic Forum’s Global Gender Gap Report 2012, the ratio of women to men in upper management positions and public office is only 1 to 9, a woeful sign of the consequences of gender inequality.⁸² Therefore, the incentives for women to return back to work are unfortunately quite low. Women in Korea struggle to find a job that matches their qualifications when they want to return, but most settle for a lower position. Another obstacle for South Korean women is the unequal pay gap. For example, women in Korea on average earn

⁷⁴ Ibid.

⁷⁵ Ibid.

⁷⁶ Ibid.

⁷⁷ <http://thediplomat.com/2014/08/south-koreas-failure-to-support-working-women/>

⁷⁸ Ibid.

⁷⁹ Ibid.

⁸⁰ Ibid.

⁸¹ <http://thediplomat.com/2014/05/south-koreas-woeful-workplace-inequality/>

⁸² Ibid.

39% less than their male counterparts.⁸³ Far reaching beyond the workforce, the culture also views women as inferior to males.

To address these issues, South Korea has proposed a few strategies recently. President Park aims to provide 1.65 million extra jobs for women and boost the GDP by 1 percentage point.⁸⁴ First, the government has publicly decided to identify companies with low female participation. With details to be released in December, the government is considering publicly naming companies with at least 500 workers and a female share of the workforce that is less than 70% of the industry's average for three consecutive years and companies who have failed to do enough to combat gender inequality.⁸⁵ Second, the government will increase subsidies for parents on childcare leave and give preferential treatment to companies that are family friendly when seeking government contracts. Korean companies with over 500 employees or 300 female workers are required to run a childcare center, however only 40% actually do.⁸⁶ By 2017, the South Korean Minister for Gender Equality Cho Yoon-sun would like to raise that percentage to 70%.⁸⁷ The government has also paid for private childcare as well. From the private sector, Starbucks Korea and L'oreal has made a substantial change by starting a returning mothers program to ease the transition for women back into the workforce after giving birth. The government has also created a similar program by creating employment centers solely for women with interrupted careers. As of 2013, 120 of these employment centers were created.⁸⁸ However, some have critiqued that these policy changes can only do so much without reforms within the deeply ingrained sexist culture.

The Korean government has tried extending paternal leave and encourage fathers to take a month off of work to care for children. Although the law allows both parents to take a year off, only 1,790 men utilized this time in 2012, compared to 62,000 women.⁸⁹ Men fear that taking off will damage their career opportunities, and transfer this burden to their wives. Yet, this programs have been costly. For example, Seoul issued 200 billion won in municipal bonds to cover deficits in the budget.⁹⁰ Yet, the benefits of increasing these programs outweigh the costs. Women are able to dedicate their time and specialize in their field, while maximizing time spent on childcare as one person can look over multiple children in a daycare. Media in South Korea has also started to call for fathers to get more involved with their children. However, critics say that the message is skewed. Rather than focusing on easing the unfair burden on mothers, the media

⁸³ Ibid.

⁸⁴ <http://www.taipeitimes.com/News/world/archives/2014/02/05/2003582798>

⁸⁵ Ibid.

⁸⁶ <http://www.taipeitimes.com/News/world/archives/2014/02/05/2003582798/2>

⁸⁷ Ibid.

⁸⁸ http://english.mogef.go.kr/sub02/sub02_22_01.jsp

⁸⁹ <http://www.economist.com/news/special-report/21588207-faced-overwhelming-pressures-south-korean-women-have-gone-baby-strike-pram-too>

⁹⁰ Ibid..

campaigns have only seen investing more time with their children as a means to make their kids better leaders.⁹¹

SWITZERLAND

Switzerland, though not extremely culturally similar to Japan, has become a paragon of gender equality. Compared to the year 2000, Switzerland has made amazing progress regarding gender equality, the most of any country during that time period.⁹² The World Economic Forum has ranked Switzerland 10th in the world in terms of gender inequality, but they are still behind Scandinavian countries and must continue to ameliorate the pay gap between men and women, which is 1137 Swiss Francs on average (about 1200 US dollars). However, only 37.8% of the wage difference can be traced to wage discrimination.⁹³ The Federal Office for the Equality of Women and Men has been in place since 1988 and a law banning any kind of gender discrimination since 1996.⁹⁴ Therefore, historically, as compared to other Western Countries, especially in Western Europe and Scandinavia, Switzerland is a bit behind in gender equality. Unfortunately, women generally are in more “traditional” and low-paid jobs, and when they are in a leadership position they still make less than men.⁹⁵ 40% of companies studied in Switzerland reported that they had quotas in order to increase the amount of women in their firms.⁹⁶ A great deal of Swiss women work part-time, 57%, as opposed to 13% of men, which is something that could be improved by “new working models such as job-sharing, top-sharing, functional flexibility, and project team rotations”.⁹⁷ There are a few other problems in Switzerland—during the children’s school-day, there is a two-hour lunch break in which there is no one to take care of children due to the workday schedule, which does not make it easier for women to take on new jobs. Additionally, very few women are in managerial positions, only 11% of board members and 7% of senior executives are women.⁹⁸ Switzerland has been improving a great deal over the past 15 or so years, and is on a trajectory to continue improving, due to its demographics, which are conducive to equality, as they were ranked first in literacy and income in the new WEF report this year.⁹⁹

⁹¹ Ibid.

⁹² <http://www.humanrights.ch/en/switzerland/internal-affairs/gender/gender-equality/gender-equality-switzerland-wel-l-finish>

⁹³ Ibid.

⁹⁴ <http://www.swissworld.org/en/people/women/equality/>

⁹⁵ <https://www.gwu.edu/~igis/assets/docs/report-gender-equality-switzerland-2012.pdf>

⁹⁶ <https://www.gwu.edu/~igis/assets/docs/report-gender-equality-switzerland-2012.pdf>

⁹⁷ <https://www.gwu.edu/~igis/assets/docs/report-gender-equality-switzerland-2012.pdf>

⁹⁸ <https://www.gwu.edu/~igis/assets/docs/report-gender-equality-switzerland-2012.pdf>

⁹⁹ <http://www.thelocal.ch/20141028/swiss-slip-in-world-gender-equality-rankings>

GERMANY

Germany changed the childcare leave policy to allow both fathers and mothers to take parental leave for up to 14 months with no employer penalty, while earning up to two-thirds of their salary. Long term parental leave can be taken for up to three years by either or both parents. During which, parents can still work up to thirty hours a week, the job must remain open, and the contract can not be terminated.¹⁰⁰

With this policy, Germany hopes to increase their birth rate for the current standing at 1.36 children per woman. While it is too soon to see any perceived effect on the birth rate, these policies have had an overall positively impact the parenting culture. These policies also provide women, or any parent, a faster path back into the workforce after taking time off.¹⁰¹

For a country hoping to increase women labor participation, strengthening leave standards may provide a necessary link between government policy, workforce participation, and parenting culture. Creating strong childcare leave standards, similar to Germany's, is a clear government policy which could increase the amount of fathers on leave which would improve both working and familial environments. Such a government policy could also directly encourage women to rejoin the workforce by providing a clear way back.

Intrinsic Value of Womenomics

A more equally represented workforce, a result of Abe's womenomics, is termed "gender diversity."¹⁰² According to research conducted by the Gallup, if the workforce is more diverse, the profit margin is higher. The chart below illustrates this data on profit increases in the retail and hospitality industries. People also tend to be more engaged with their jobs, which in turn creates higher returns and increased productivity. Furthermore, companies see fewer numbers of absences and lower worker turnover with a more diverse workforce.¹⁰³

The increase in profit and productivity stems from the intrinsic value of having a diverse group of employees. As evidenced by the Shiseido case study, women can bring a different viewpoint and understanding of the product or the company's target audience to help reshape more effective strategies and campaigns.¹⁰⁴ A similar finding from research conducted by British executive research firm RSA found that "women contribute differently in the boardroom, compared to their male colleagues," with women having greater "intuition and possessing greater

¹⁰⁰ <http://www.bamf.de/EN/Willkommen/KinderFamilie/Elterngeld/elterngeld-node.html>

¹⁰¹ http://www.huffingtonpost.com/2014/11/12/germany-parenting-culture_n_6141508.html

¹⁰² <http://www.gallup.com/businessjournal/166220/business-benefits-gender-diversity.aspx>

¹⁰³ Commission, E. (2005) The business case for diversity: good practices in the workplace. as cited in Simard C. (n.d.) The business case for gender diversity. Retrieved September 28, 2007 from <http://anitaborg.org/>

¹⁰⁴ <http://icsps.illinoisstate.edu/wp-content/uploads/2013/10/BenefitsofDiversityintheWorkplace.pdf>

awareness of the motivations and concerns of other people.”¹⁰⁵ Women tend to network in a horizontal direction while men tend to network vertically.¹⁰⁶

According to Womenomics authors Claire Shipman and Katty Kay, women tend to seek out long-term results and take fewer risks. They wrote that a study by Pepperdine University found that Fortune 500 firms with the best records of putting women in leadership positions were up to nearly 70 percent more profitable than the median companies in their industries.¹⁰⁷

While the skillset may be similar between comparable men and women, women bring unique values and life experiences to the table that can positively influence decision making.¹⁰⁸ By investing in sustaining more women in the workforce, the company itself taps into the previously overlooked pool of talent in female leaders and gains an edge over its competitors in the same industry.¹⁰⁹

The Bottom-Line Impact of Gender Diversity and Engagement

Business units that are gender diverse have better financial outcomes than those dominated by one gender, Gallup research shows. And if these gender-diverse business units are also highly engaged, financial performance improves dramatically.

| | Retail: Average Comparable Revenue | Hospitality: Average Quarterly Net Profit |
|---|---|--|
| Units above the median on gender diversity (more diverse) | 5.24% | \$16,296 |
| Units below the median on gender diversity (less diverse) | 4.58% | \$13,702 |
| Units above the median on gender diversity and engagement (more diverse and more engaged) | 5.76% | \$18,283 |
| Units below the median on gender diversity and engagement (less diverse and less engaged) | 3.95% | \$11,563 |

GALLUP[®]

Increasing female presence in the government is a worthwhile investment as well; according to USAID, governments where at least 30 percent of the political seats are held by women are more inclusive, egalitarian, and democratic.¹¹⁰ There is an inverse relationship between the number of women empowered to vote and hold political office and the level of corruption in a country.¹¹¹ Multiple studies evaluating the roles of women in public office have found that women are more

¹⁰⁵ <http://www.ft.com/cms/s/0/1fc8a3dc-0d65-11e2-97a1-00144feabdc0.html#axzz3IhVQR1CI>

¹⁰⁶ <http://www.ft.com/cms/s/0/1fc8a3dc-0d65-11e2-97a1-00144feabdc0.html#axzz3IhVQR1CI>

¹⁰⁷ http://www.huffingtonpost.com/sam-bennett/who-needs-more-women-in-g_b_485685.html

¹⁰⁸ <http://www.ft.com/cms/s/0/1fc8a3dc-0d65-11e2-97a1-00144feabdc0.html#axzz3IhVQR1CI>

¹⁰⁹ <http://www.gallup.com/businessjournal/166220/business-benefits-gender-diversity.aspx>

¹¹⁰ <http://50.usaid.gov/infographic-why-invest-in-women/usaids-women/?size=infographicMedium>

¹¹¹ <https://www.ndi.org/womens-political-participation>

likely to collaborate across partisan lines and look for win-win situations than their male counterparts.¹¹²

RECOMMENDATIONS

TO THE JAPANESE GOVERNMENT

1. Analyze corporate gender statistics to find underlying trends.
2. Develop retraining programs to provide on-leave parents skills and experience to make them more attractive to employers.
3. Develop return to work programs to provide specific pathways for on-leave parents to reenter the workforce after caring for their children.
4. Provide incentives, such as tax breaks, for companies which follow the aforementioned best practices or other worthy projects.

TO THE RESEARCHER

1. Use his knowledge of Japanese to conduct on the ground interviews with people on their opinions of the initiative.
2. Consider ways in which the Japanese government could support companies that pursue individualized efforts of diversifying their workforces.
3. Research instances in which cultural changes and significant shifts in opinion have been catalyzed by the government.
4. Consider a realistic timeline for achieving sustainable improvement in women's representation in the workforce.

¹¹² http://www.huffingtonpost.com/sam-bennett/who-needs-more-women-in-g_b_485685.html