Babies and Boardrooms: A Comparison of Women in the Labor Forces of Japan and the United States

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Babies and Boardrooms:
A Comparison of Women in the Labor Forces of Japan and the United States

An honors thesis submitted in partial fulfillment of the requirements for the degree Bachelor of Science in Business Administration in Accounting

by

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Abstract

The goal of this paper is to examine the participation of women in the Japanese labor force and to compare this participation rate to that of the United States. This paper explores various situational and cultural differences between the two countries that lead to a stagnant female participation rate in Japan as compared to significant growth in the United States. It provides historical context and applies personal experience to a current economic situation in order to understand why it is occurring.

Topics covered in this paper include Japanese cultural background, labor force participations issues in Japan and the United States, salient statistics, current female labor force participation, wage gap and childcare issues, and recent Japanese legislation.
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Introduction

The planet’s third-largest economy is a cultural mecca that houses 127 million people on an archipelago the size of California. Japan is a nation rooted in both tradition and the modernist influences of the western world, a world struggling to take hold in the once isolationist country. The Japanese economy went through a series of rapid, highly important changes after the end of World War II. These changes were the result of global factors as well as the influences of Japanese history and religious culture. Expansions in private investing and high rates of personal savings fostered groundbreaking growth of 10% per year throughout the 1960s. Japan’s history as an island nation has given way to superb innovation throughout the years, especially when it comes to adopting the practices of other countries and molding them to best fit the Japanese way of life. Japan’s economy has evolved immensely in the post-war era. Increasing globalization has conflicted with the history and culture of the Japanese nation, exposing a rift between the old and the new ways of life. The rapid pace of globalized industries and economic systems continues to influence and shape the Japanese economy, even though the nation has experienced several economic downturns that resulted in economic stagnation and persistent deflation since the 1990s. For all of its dramatic changes, however, Japan has remained rooted in a practice of rigid gender roles that some believe to be stifling further advancement. While the female labor force participation rate in the United States increased from 43.3% to 59.2% in the four decades between 1970 and 2009, Japanese percentages remained oddly stagnant. Japan saw 48.7% of women participating in the labor force in 1970, only to decrease to 48.2% by 2009 after several fluctuations (U.S. Department of Labor, Bureau of Labor Statistics).

Since his re-election as Japanese Prime Minister in December 2012, Shinzo Abe has developed an economic growth plan designed to breathe new life into an economy that has been
plagued with persistent recession over the past two decades. “Abenomics” is made up of three main components: massive fiscal stimulus, aggressive monetary easing by the Bank of Japan, and structural reforms. On September 26, 2013, while addressing the United Nations General Assembly, Prime Minister Abe stated that, “Creating an environment in which women find it comfortable to work, and enhancing opportunities for women to work and to be active in society, is no longer a matter of choice for Japan. It is instead a matter of the greatest urgency.”

Fluctuations in the Japanese economy have changed the makeup of the country’s workforce. Over the years, Japan’s unique challenges, including a perilously low birthrate and the long life expectancies of an aging population, have given way to a demand for women in the workforce not seen before the 1980s. However, cultural glass ceilings and an expansive gender-gap make for a difficult transition in the evolution of the labor force. Much of the Japanese population stands firm in centuries-old belief patterns. Traditional culture values stay at home mothers who raise children and take care of the household. Seventy-four percent of Japanese women who receive a college degree leave their jobs voluntarily for six months or more (Japan Times, 2013). This figure is over double the 31% of American women who voluntarily leave their jobs for at least the same time period. Most of these women leave their positions when they marry, as is traditionally and socially accepted. However, of the 77% percent of Japanese women who wish to return to the work force later in life, only 43% percent are able to find employment, as compared to 73% of American women (Harvard Business Review, 2011).

In a 2013 article in the Wall Street Journal, Prime Minister Abe called women “Japan’s most underutilized resource,” detailing his plan to increase the participation of women in the workforce by 2020 and reduce wage disparities. Government agencies have extensively researched the issue of the gender gap and Japan’s unsettling economic future if women are not
incorporated into the labor force in greater numbers. This paper will compare women in the Japanese workforce with women in the American workforce in order to evaluate cultural and behavioral trends, as well as explore the reasons behind these trends. It will look at issues such as the current workplace environment for women and cultural norms in each of the two societies. It will also evaluate and compare wages, positions of responsibility, and types of careers in both Japan and the United States. The purpose of this research is to investigate more clearly the hindrances keeping Japanese women from becoming an integral part of the labor force.

**Cultural Background**

Traditional Japanese social structure took the form of a Confucian hierarchy during the Edo Period of 1603-1867. Five explicit relationships existed: Master over servant, parent over child, husband over wife, older brother over younger brother, and friend to friend (a horizontal relationship). In each relationship, specific roles were in place to keep order and rank in society. Though the person in the superior position was expected to care for his inferior, the inferior was to be utterly loyal and obedient to his or her superior in all things. In later years, prior to World War I, Japanese women were encouraged by a government campaign called “umeyo fuyaseyo,” meaning “go forth and multiply.” This slogan was adopted to increase the labor force and provide more men for the country’s military.

A game-changer came for Japanese women in the form of World War II. With millions of Japanese soldiers gone to fight in the war, the responsibility of working to ensure their families’ survival fell to the Japanese women left at home. The Japanese labor force gained 1,400,000 women between 1940-1944: a 10% increase (Havens, 107). This situation was mirrored in the United States, but in greater numbers. Whereas previously American women
were expected to maintain lowly jobs or give up their jobs for unemployed men, the number of women in the U.S. workforce increased from 27% to 37% between 1940 and 1945. By 1945, almost 25% of married American women worked outside of the home (History, 2014). In Japan, even with the seemingly greater ability of women to enter the work force due to war necessities, traditional gender roles were still prevalent. Japanese Prime Minister Hideki Tojo described the social order in this way:

That warm fountainhead which protects the household, assumes responsibility for rearing children, and causes women, children, brothers, and sisters to act as support for the front lines is based on the family system. This is the natural mission of the women in our empire and must be preserved far into the future.

Ever since the Edo period (1603-1867), which was characterized by rigid social order and Confucian family values, Japanese women have held to the traditional role of marrying and then staying home to raise their families. Japanese culture values traditional gender roles, which place women in charge of their homes and families. While men are entirely devoted to working long hours at their jobs, women are the masters of their home and take care of the children and the family finances. Many Japanese women do not see these traditional roles as being constraining or oppressive. Rather, these roles are valuable and necessary. They preserve the culture and tradition that is so precious to the Japanese way of life. Since the 1800s, the role of a Japanese housewife has been more than simply a “role”; it is a profession for the women who aspire to be like their mothers and grandmothers before them. They are called “ryousai kembo,” meaning “good wife and wise mother.” Traditional and social pressures call for women to pursue the ideal of marrying, having children, and raising their families with unwavering devotion. Within this role, women are highly independent. They have control over all decision-
making within their household, and they treat their role as housewife as their job, just as their husbands do their professions.

**Labor Force Participation Issues: Japan vs. the United States**

**Salient Statistics**

In 2010, Japan had a population of over 127,000,000, 51% of whom were women. Japan has the highest percentage of people in the age group of sixty-five and over, and this aging population, paired with a dramatically decreasing fertility rate over the past several decades, poses a serious threat to the labor force. With the fertility rate below the population’s replacement level, the vitality of the labor force has suffered. The country’s population is projected to decrease from 127,000,000 people today to only 90,000,000 people by 2055, at which point 41% of the population will be sixty-five or older (Population Reference Bureau, 2013). As the population decreases and the number of women comparatively increases, it seems only natural that the number of women in the labor force would increase as well. However, only 48% of Japanese women participated in the labor force in 2010, compared to almost 71% of men.\(^2\) This statistic is radically different from the nearly 59% of women\(^3\) who participated in the United States labor force in the same year (Federal Reserve Bank of St. Louis, 2014). These rates are shown in Figure 1 on page 6.

\(^2\) 70.9%
\(^3\) 58.6%
Statistics indicate that Japanese women are most likely to be employed between the ages of twenty-five to twenty-nine, but these numbers start to decrease by age thirty-five. Figure 2 on page 7 illustrates the percentages of Japanese and American women in selected occupations. The highest occupational category for Japanese women is made up of clerical positions at a staggering 60.5%. Management roles make up only 10% of female jobs (Catalyst, 2012). These numbers are consistent with women following the traditional path of working after college until they marry, at which time they leave the work force to raise families. According to a survey taken in 2012 by Kimberly Gladman and Michelle Lamb, only 1.1% of people serving on professional boards in Japan are women. These numbers do not reflect the high percentage of Japanese women who graduate from college. In 2010, 42% of Japanese students participating in higher education at the undergraduate level were female. According to the Japanese Ministry of
Education, Culture, Sports, Science, and Technology, only 14% of all Japanese students studying science, technology, engineering and mathematics-related fields in 2013 were female, while almost 67% of humanities students were female. In the United States, the total number of women pursuing a bachelor’s degree is significantly higher at 58%, but only 20% of women graduate with a computer science or other scientific or engineering degree (Forbes Woman, 2012). Jocelyn Goldfein, a director of engineering for Facebook, has explained this discrepancy as due to a lack of female role models in STEM (Science, Technology, Engineering, and Mathematics) fields in the United States. Stereotypes in American pop culture and a lack of encouragement for young girls in grade school to study math and science are other possible culprits. In Japan, though, societal and familial pressures to raise families and be homemakers may not be overcome as easily as changing elementary school curriculum or seeing television actresses in roles as astronauts or computer technicians.

**Figure 2. Percentage of Women in Selected Occupations**
Female Participation

Japanese women make up about 70% of non-regular employees, defined by the Japanese government as part-time workers, temporary workers, workers dispatched by temporary agencies, contract employees, and entrusted employees (Japan Institute for Labour Policy and Training, 2011). Non-regular employees violate one or more of the three conditions of being a regular employee. Regular employees are not hired for a predetermined period of time, they work full time, and they are hired directly by their employer. In most circumstances, they also receive workers compensation, unemployment benefits, and healthcare benefits (Japan Institute for Labour Policy and Training, 2011). According to the Japan Institute for Labor Policy and Training, women attain their highest level of regular employment participation in the fifteen to twenty-nine year age bracket. This is the period of time between finishing school and finding a job. This number steadily decreases as the age brackets increase. In the thirty to forty-four year age bracket, the percentage of women in regular employment declines to 46.4%, and it further decreases to 40.1% in the forty-five to fifty-four year age bracket. Businesses utilize non-regular employees as a means to save on labor costs. This is especially true in the case of part-time employees, of which women make up 89.7% in Japan (Japan Institute for Labor Policy and Training, 2011). Another reason businesses quote for hiring non-regular staff is to more adequately meet the needs of the non-regular employees. As the percentage of women in non-regular positions increases with their age, it would make sense that having children and raising families changes their employment needs and situations. Thirty-nine percent of part-time workers cite convenience as the reason for choosing a non-regular position, and 28.6% say household matters and childcare prohibit them from taking a regular position.
Wage Gap

Yet another significant issue for Japanese women is the pronounced wage gap between male and female employees. According to a 2011 survey by the Japanese Ministry of Health, Labor, and Welfare, in the thirty to thirty-four year age group, regularly employed males earned an average of 277,800 yen, while females earned on average 233,100 yen. In the thirty-five to thirty-nine year age group, males earned on average 319,900 yen, while females earned on average 247,500 yen. In the forty to forty-four year age group, males earned on average 368,100 yen, while females earned on average 254,100 yen. The wage gap in Japan is one of the most substantial of the thirty-four countries in the Organization for Economic Cooperation and Development (OECD), and working mothers are one of the groups hardest hit. The median salary of a Japanese working mother is 61% lower than that of Japanese men, and the wage gap between Japanese male and female workers of all ages is a startling 29% (Rampell, 2012). This might be partially explained by certain tax laws that incentivize dependent spouses to limit income. It is also affected by the accessibility to affordable childcare, as women are more likely than men to be the primary caretakers of their children. It is interesting to compare the Japanese wage gap to that of the United States, as another of the OECD countries. The average childless female working full-time in the United States earns about 7% less than her male counterpart. For American mothers working full-time, the wage gap increases to 23% (Rampell, 2012). Refer to Figure 3 on page 10. For American female workers, this discrepancy might be explained by the types of jobs working mothers choose, such as positions that offer a greater portion of compensation as benefits and less as wages.
Figure 3. Wage Gap Between Full-Time Working Mothers and their Male Counterparts

Child Care Issues

If affordable childcare is not available, working mothers are likely to take time away from their jobs, resulting in sacrificed wages. The Japanese government subsidizes thousands of day-care facilities nationwide, but openings have become increasingly difficult to find as the Japanese government encourages women to go back to work. The process of finding a daycare is so competitive that it has developed its own name: “hokatsu.” Daycare slots can cost thousands of dollars per month, a cost that is so high that, for many families, it nullifies the benefits of going back to work in the first place. Another difficulty arises in the strict entry requirements for families. First priority is given to families with the most financial need, and middle-income families are turned away. According to the Japan Daily Press, less than 4% of Japan’s social welfare spending is spent on children and families. Said Hiroki Komazaki,
founder of several Japanese daycare centers, “It’s become a vicious cycle. We don’t invest in future generations, inevitably bringing on an aging society.”

**Recent Japanese Legislation**

In 1999, the Japanese government passed the Basic Act for a Gender-Equal Society, a piece of legislation aimed at creating solutions to minimize the gender gap and combat the country’s aging population and plummeting birth rate. Article 2 states that the Act gives “positive provision of opportunities for either women or men within necessary limits to redress gender disparities in terms of formation of a society where both women and men shall be given equal opportunities to participate voluntarily in activities in all fields as equal partners in society.” Among the Act’s priority objectives are securing equal opportunity and treatment in the field of employment and supporting the efforts of women and men to blend work with their family and community life. A major factor in women’s inability to participate in the workforce is the limited amount of help they receive from their husbands when it comes to taking care of the house and the children. Currently, men with children under six years old spend approximately sixty minutes per day on child-rearing activities and household chores. The Act’s goal is to increase this number to two and a half hours per day in order to achieve a proper work-life balance. It would also like to increase the percentage of men who take childcare leave from 2.63% in 2011 to 13%. According to a survey of mothers by the Japanese Ministry of Health, Labor, and Welfare, over 70% of participants worked in the year prior to the birth of their first child, but 70% were not working six months afterward. The Japanese government has taken aggressive steps to combat the issue of the declining birth rate. The Child Care Law, originally passed in 1991, does not allow employers to refuse requests of employees to take time off of
work to care for sick children under the age of one and a half years old. It also provides parents of children less than elementary school age to take up to five days off of work per year to care for a sick child.

In April of 2013, Japanese Prime Minister Shinzo Abe declared women in the workforce to be an important part of his economic growth strategy. He set the lofty goal of increasing the number of Japanese women in leadership positions to 30% by 2020. With the current participation rate of women in management positions at just over 11%, this stepping-stone will take some major changes. The prime minister asked local governments to help reach this goal by creating more childcare centers, in the hopes of eliminating lengthy waiting lists and establishing 400,000 new daycare slots by 2017. He also announced the need to extend maternity leave beyond the current maximum of eighteen months to a period of three years. Prime Minister Abe assured businesses that these recommendations were strictly voluntary and not a legal obligation.

In accordance with the Basic Act for a Gender-Equal Society, the Japanese Gender Equality Bureau Cabinet Office has outlined several other main policies as critical action items to promote the advancement of women in the labor force:

- Increase in the election candidates of members of the House of Representatives from 16.7% (2009) to 30% by 2020.
- Members of national advisory councils and committees from 33.2% (2011) to 40%-60% by 2020.
- Section manager or higher in private companies from 6.2% (2010) to 10% by 2015.
- University professors from 17.8% (2011) to 20% by 2020.
- Managerial positions in primary and secondary educational organizations from 14.8% (2011) to 30% by 2020.
Conclusion

Japanese culture is more than a dusty tradition. It is a way of life that molds the daily lives of the Japanese people, and it defines the lifestyles of those who choose to follow the traditional path. The country, however, is not blind to the significant, self-inflicted wounds that are being pushed upon the economy by the low numbers of women employed in regular roles in the labor force. This is made obvious by Prime Minister Abe’s stated goal of reaching 30% of women in leadership positions by the year 2020. However, a significant number of Japanese women do not want to enter the workforce, as they are content and passionate about pursuing the course of work that their mothers and grandmothers pursued before them: the very real and rewarding career of being a full-time housewife.

According to a poll of 3,000 women taken by the Japanese Ministry of Health, Labor, and Welfare, 34% of unmarried participants ages fifteen to thirty-nine revealed that they do not want to work when they marry and have a family. This indicates a significant number of women who highly value the age-old custom of dedicating their lives to raising children and taking care of household matters. It is also interesting to note that in the same survey, 38% of participants explicitly did not want to become homemakers. While this is also a significant number, it is not the majority nor is it much higher than the group who wished to pursue that course. Looking at the male opinion of the matter, only one in five men revealed a desire for a wife who was a full-time homemaker. This could be the result of Japanese men wanting help with household expenses, or it could be evidence of the norm shifting away from dedicated housewives and toward working mothers.
The surveys and research noted in this paper indicate that while Japanese social rigidity is loosening for women who have the desire to pursue full-time careers, that may not be what a large number of Japanese women want. As evidence for this conclusion, I would like to revisit several experiences I had while traveling throughout Japan over a six-week period in May-June 2013. Over the course of my time there, I was able to spend a total of four days and nights in the homes of two different Japanese families. In each of these homes, the mothers were full-time homemakers who were raising children. Both mothers rose early each morning, cooked meals from scratch, attended to the children, and kept house. One morning, I was served a plate filled with intricate pastries for breakfast, along with fruit and hot tea. I learned from that mother that she wakes up before the sun rises each morning to bake homemade bread for the pastries. It is a recipe that she learned from her mother, and her mother learned it from her grandmother. While staying with the other family, my host mother taught me to fold origami paper and showed me how to draw traditional calligraphy characters, just as she had spent years teaching her children. In both of these cases, the job of being a Japanese homemaker was an art form, not merely an expectation. It was something that each woman had trained for and perfected over many decades of learning and practice. Their families revered and respected them, and the little girls watched their mothers with awe as they performed these valuable traditions. When asked what she wanted to do after school, one of my host family’s daughters replied that she wanted to do what her mother does. I bring up these examples simply to suggest that although many Japanese women do have the desire to pursue careers outside the home and follow less traditional paths, there may also be a significant portion of Japanese women who prefer how things have always been. I sometimes wonder if Western preferences and Western ideas of independence and feminism have projected a sense of confinement on Japanese women as a whole.
Though tradition and culture will always be something for the Japanese to treasure, opportunities are indeed opening for young women who wish to have careers. The government is motivated to bring large numbers of women to work, and it is a vital component in repairing the holes left in the economy from the aging population and decreasing birthrate. However, for many women, tradition is not an oppressive monster rearing its ugly head at progress and equality. The traditional ideal of the Japanese housewife should not always be viewed as an old fashioned artifact, but as a robust career in itself. Just as it has proven difficult to break through glass ceilings for Japanese women in the modern age, it may also prove challenging to persuade Japanese women to break away from the traditional ideal of “ryousai kembo.” This particular challenge will not be overcome by government milestones or equality legislation. Some might even think that there is no need to overcome it at all.
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