



# Enhancing Gender Equality in the Japanese Labour Market

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# THE OECD GENDER INITIATIVE



# The OECD Gender Initiative

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- Launched in 2010 to help governments promote gender equality in Education, Employment and Entrepreneurship in OECD, key emerging and developing countries
- Evidence, good practice and policy lessons captured in:
  - OECD (2012), *Closing the Gender Gap - Act Now*
  - The OECD Gender Recommendation (2013)
  - The OECD Gender Data Portal
- Follow up report to OECD Council on progress with gender equality

[www.oecd.org/gender](http://www.oecd.org/gender)



# THE IMPERATIVE OF PROMOTING PARTICIPATION OF WOMEN IN QUALITY JOBS



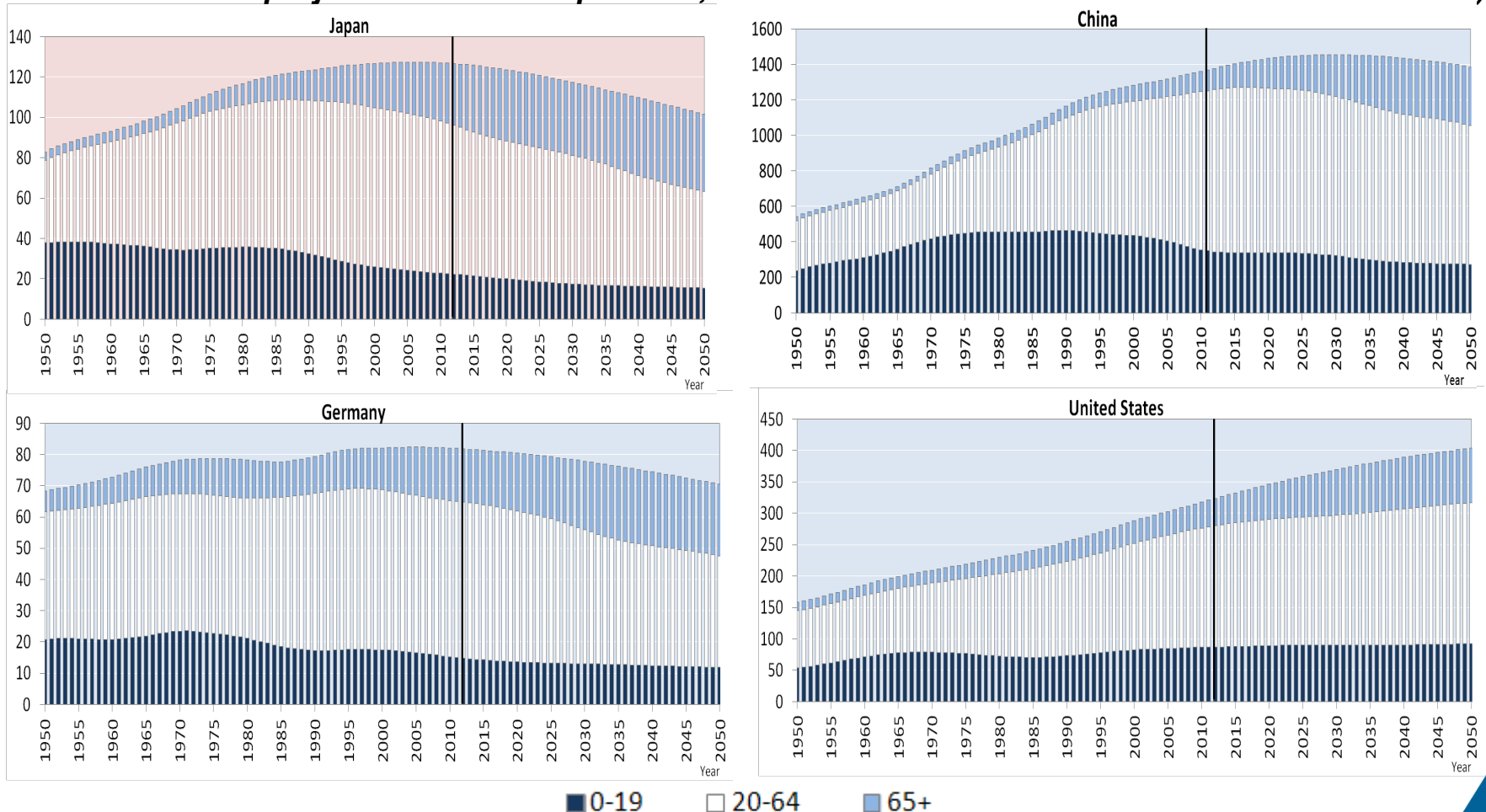
## Female participation to education and labour market key for strong, sustainable and balanced growth

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- On average GDP per capita grew by 2.1% of GDP over the 1960-2008 period: Increased educational attainment accounts for about half of this growth.
- Greater gender equality in educational attainment has a strong positive effect on economic growth.
- Great strides have been made but challenges remain.

# Increased life expectancy and persistently low fertility rates will lead to ageing populations and, in some countries, shrinking labour forces

**Historic and projected number of persons, millions. 1950-2050 (vertical line denotes year 2012)**



Source: OECD (2012), *OECD Demography and Population database*.

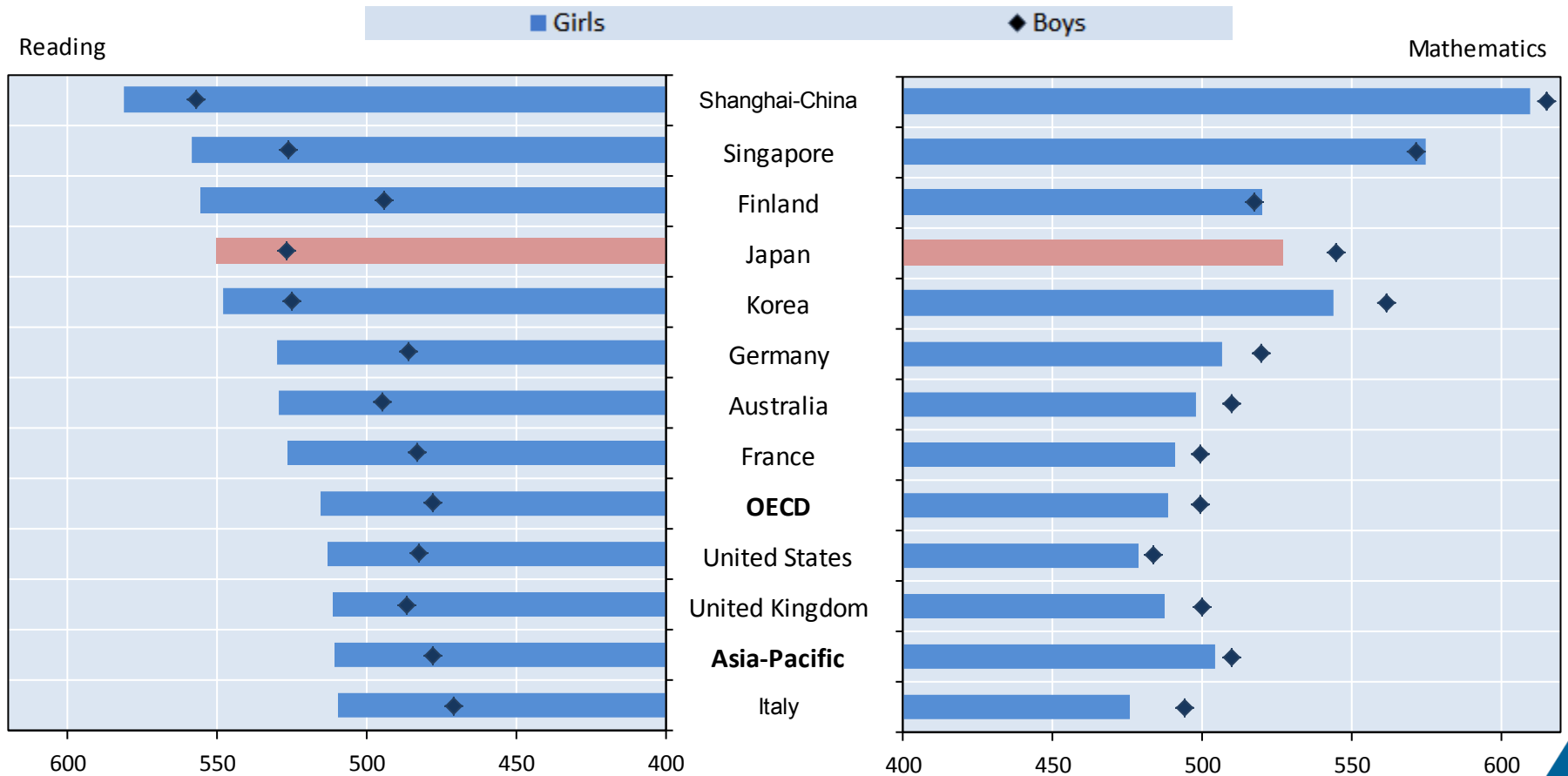


# MAJOR IMPROVEMENTS IN PROMOTING EQUALITY OF OPPORTUNITY IN EDUCATION



# Girls lag boys in mathematics but on average score much better in reading...

*PISA reading literacy and mathematics scores, 2012*



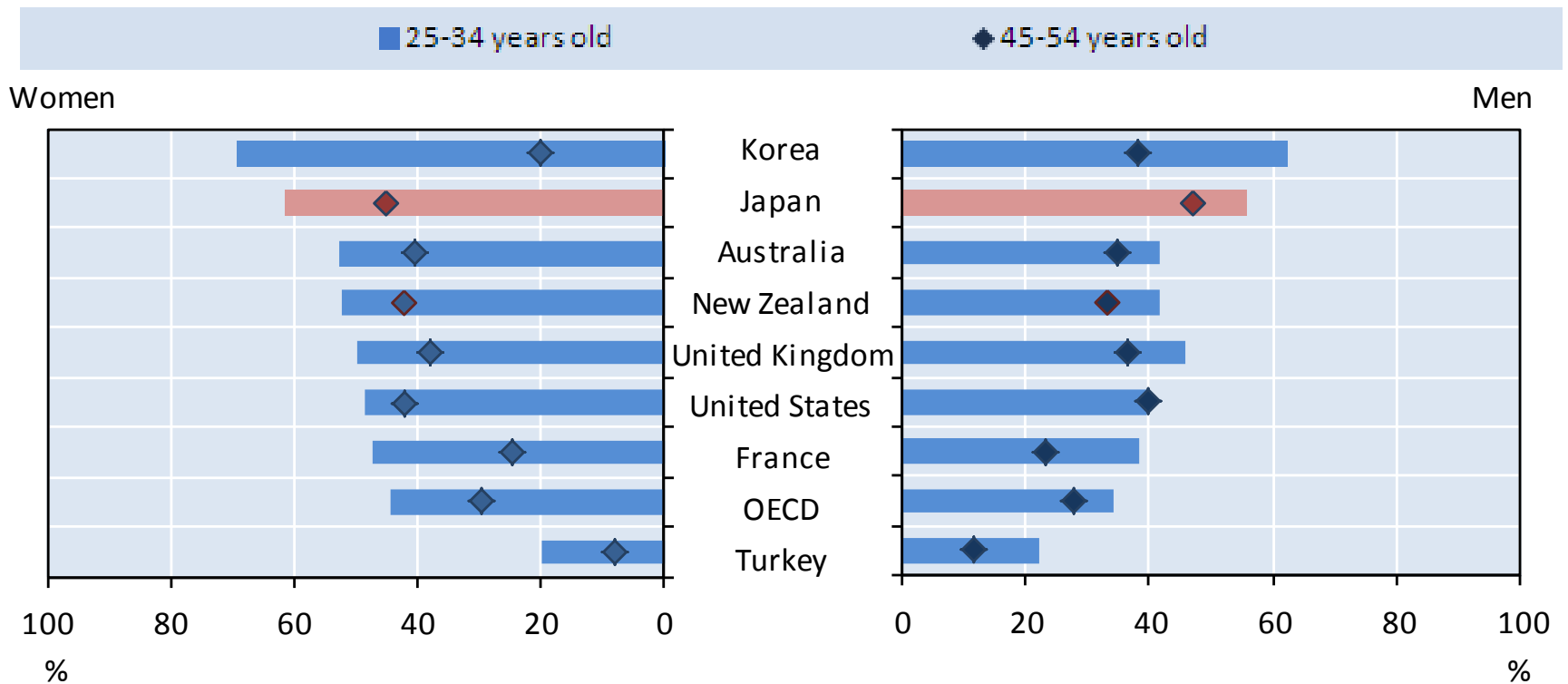
Source: OECD (2014), *PISA 2012 database*.





# ...and, young women often have higher educational attainment than young men

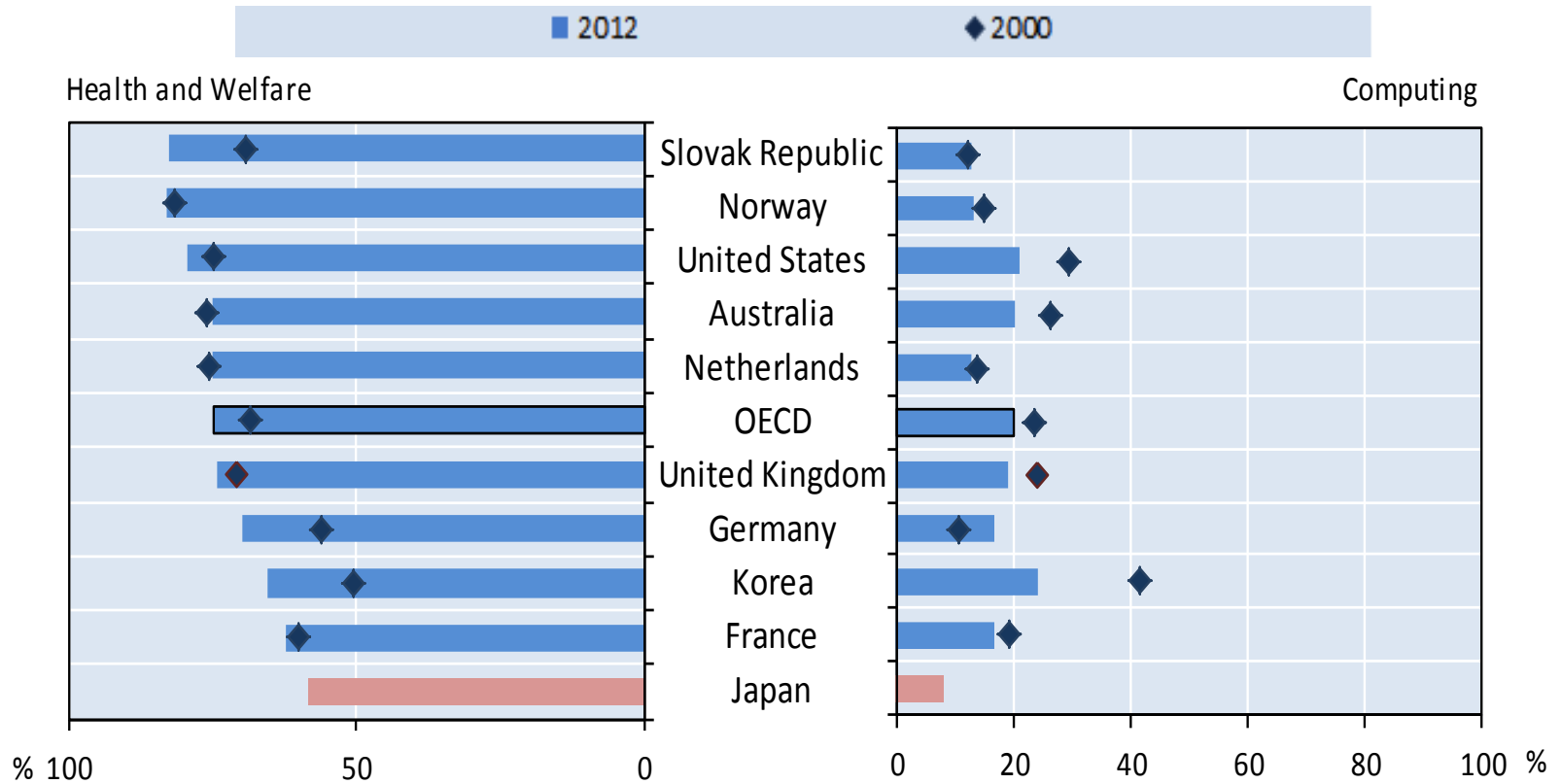
**Percentage of the population that has attained at least tertiary education by age, 2012**





# But gender gaps in field of study remain large

*Proportion of tertiary degrees awarded to women in 2000 and 2012*



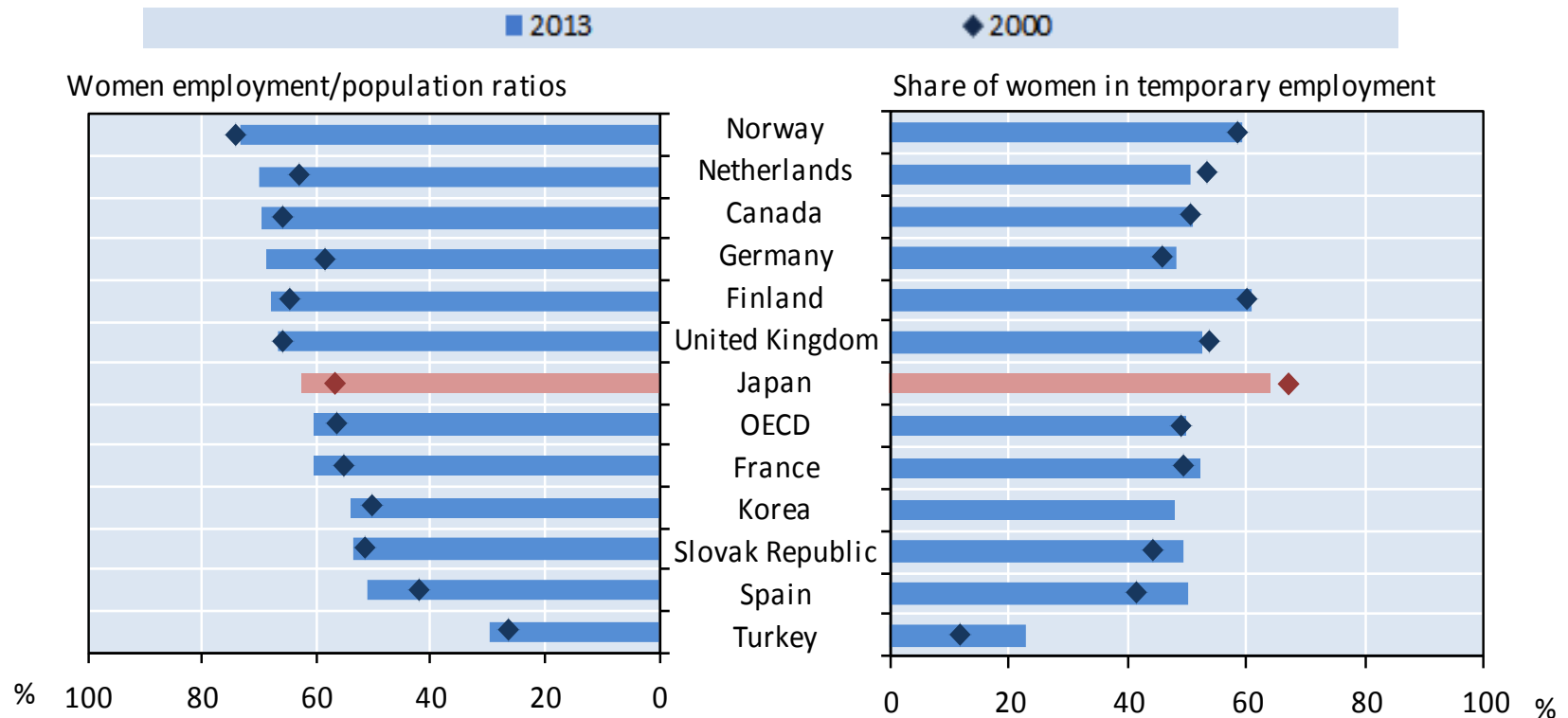


# PERSISTENT GAPS IN LABOUR MARKET OUTCOMES



# Female employment has grown, but many women are in temporary employment

## Female employment-to-population ratio and the share of women in temporary employment



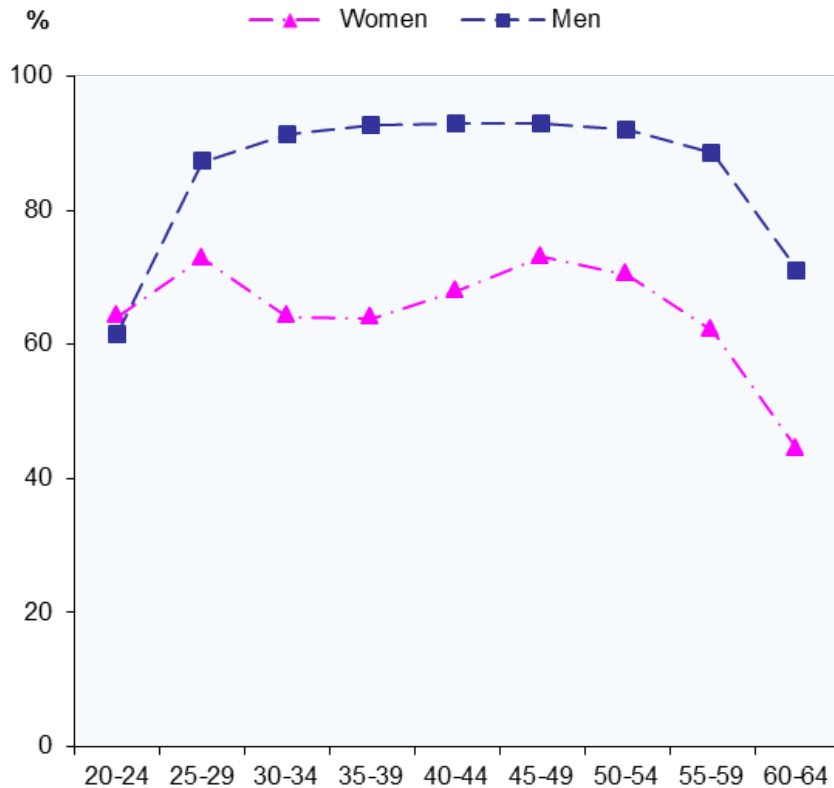
Source: OECD (2014), *OECD Employment database*.



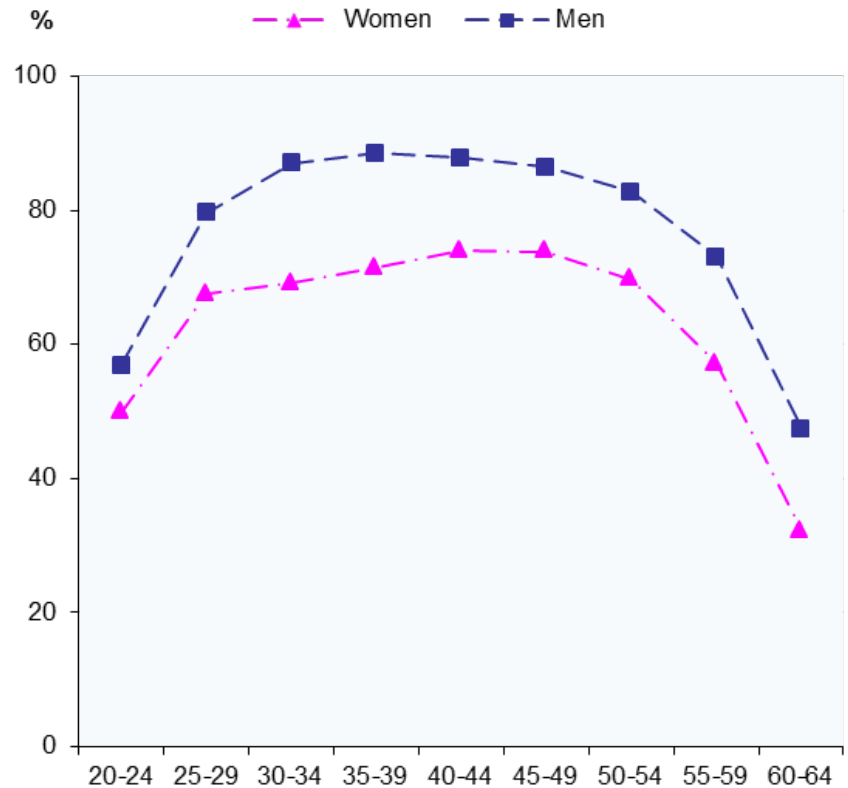
# Many women still withdraw from the labour force upon childbirth

## Female employment-to-population ratio by age group

### Japan



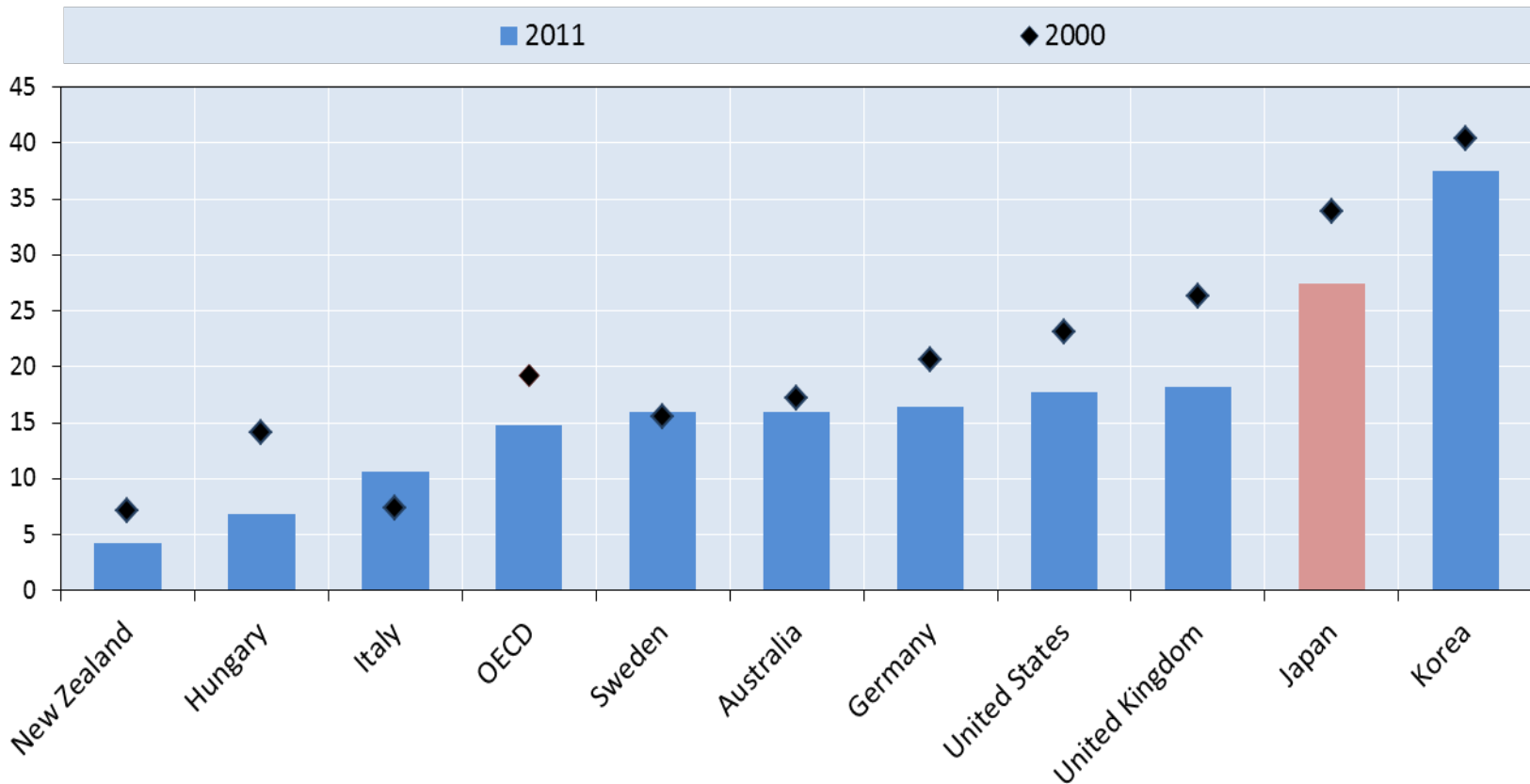
### OECD average





# While gender pay gaps have declined, they remain high in many countries...

**Gender wage gap: the difference between male and female wages divided by male wages at the median for different age groups**

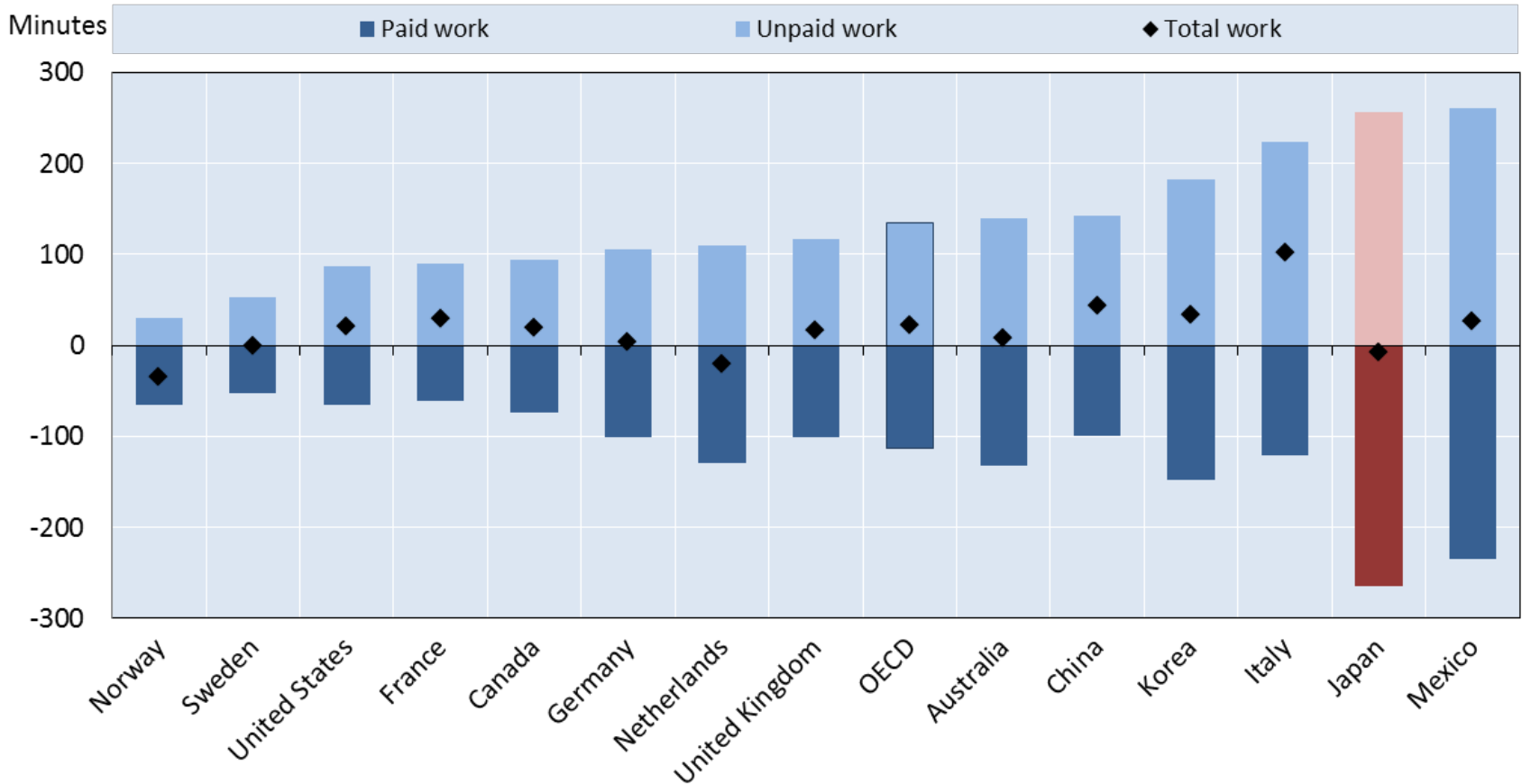


Source: OECD (2014), *OECD Gender data portal*



# ...and women continue to do more unpaid work while men spend more time in paid work

*Female minus male total, paid and unpaid working time in minutes per day, late 2000s*

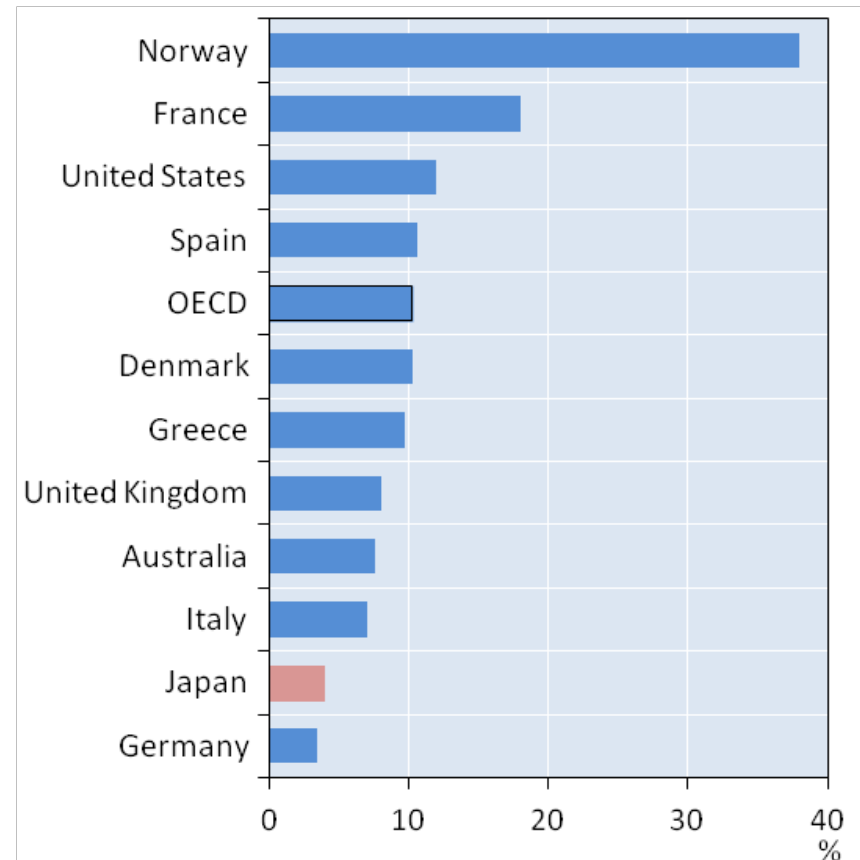




# Women also face barriers in developing new businesses

- Across the OECD, about 30% of businesses are owned by women, but less than 10% of the largest companies are majority-owned by women.
- Women-owned businesses have lower returns, as they start with limited management experience and spend less time on their businesses.
- Less than 5% of board members in Japan are women

*Share of women on boards in listed companies, 2009*

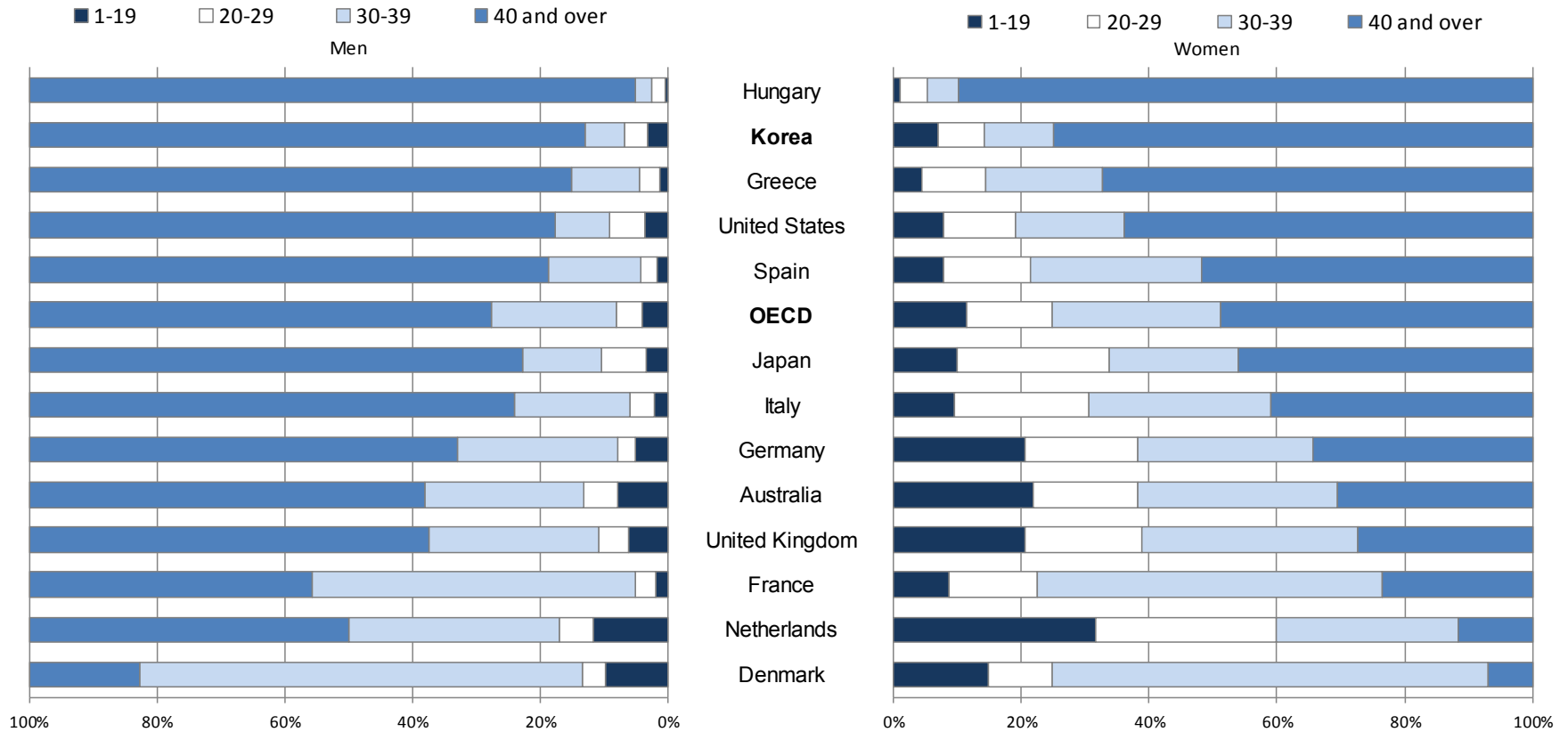






# Long working hours in Japan among employed men and women

*Share of workers by distribution of usual weekly hours of work, 2013*





# THE POLICY CHALLENGES TO FOSTER GENDER EQUALITY



# A better work-life balance for women and men is needed to generate greater gender equality in the labour market

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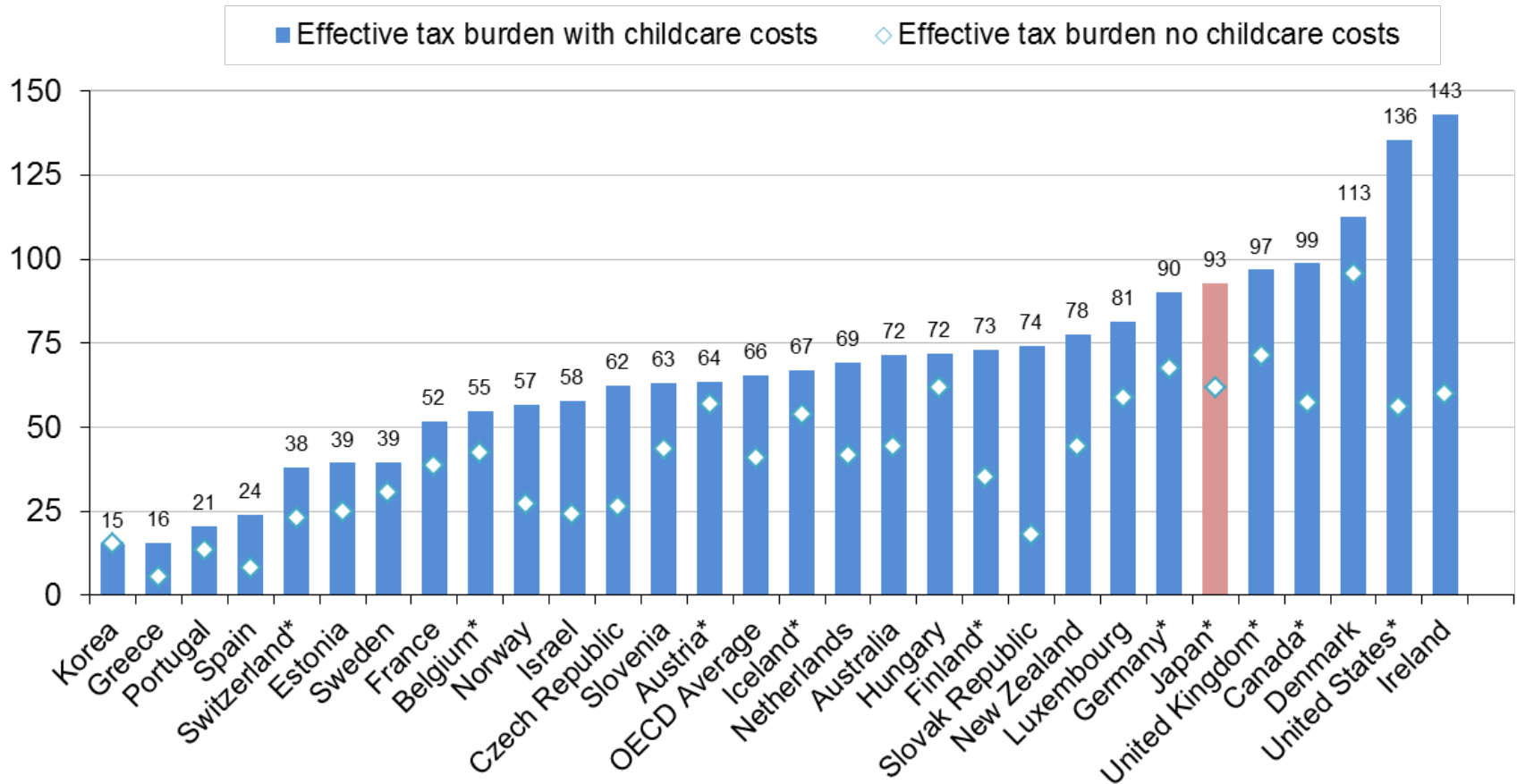
Progress is needed on two fronts:

- The social support model has made great strides but it could be further strengthened through enhancing childcare supports.
- But, no matter how “good” the social policy model, it will not be fully effective unless workplace cultures change so that both men and women can combine work and family commitments.



# Childcare costs can significantly increase the effective tax burden for 2<sup>nd</sup> earners (often mothers) in low income families

**Percent of gross earnings in new job for 2<sup>nd</sup> earner, 2012**



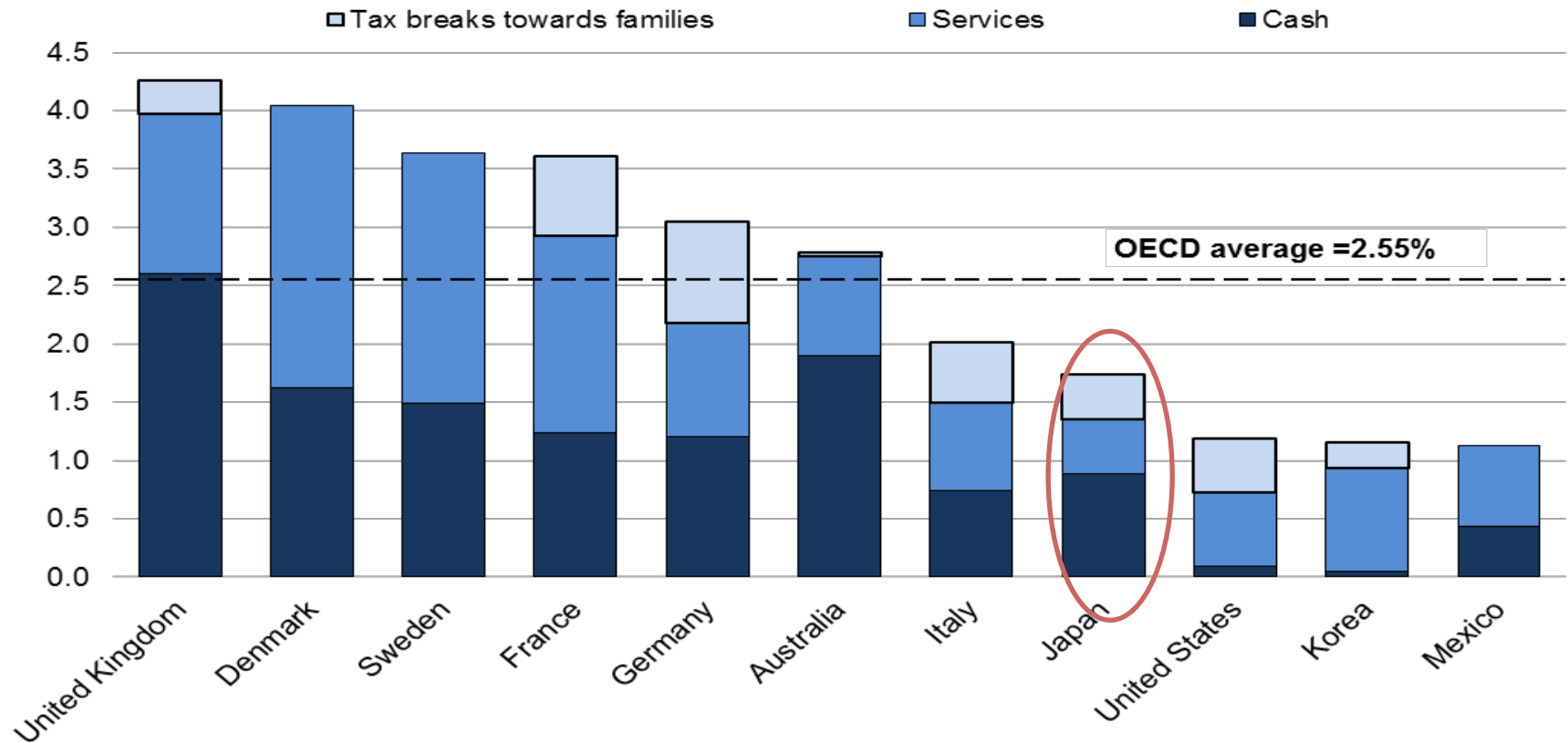
\* Cost estimates for a specific region or city. For Japan the data refers to the situation in Tokyo. The chart illustrates the situation for a couple-earner family with each parent earning 50% of the average wage .

Source: OECD (2014), *OECD Tax-Benefit model*.



# Public spending on family benefits, and spending on childcare services in particular is below OECD average

**Public spending on family benefits in cash, services and tax measures, in per cent of GDP, 2011**



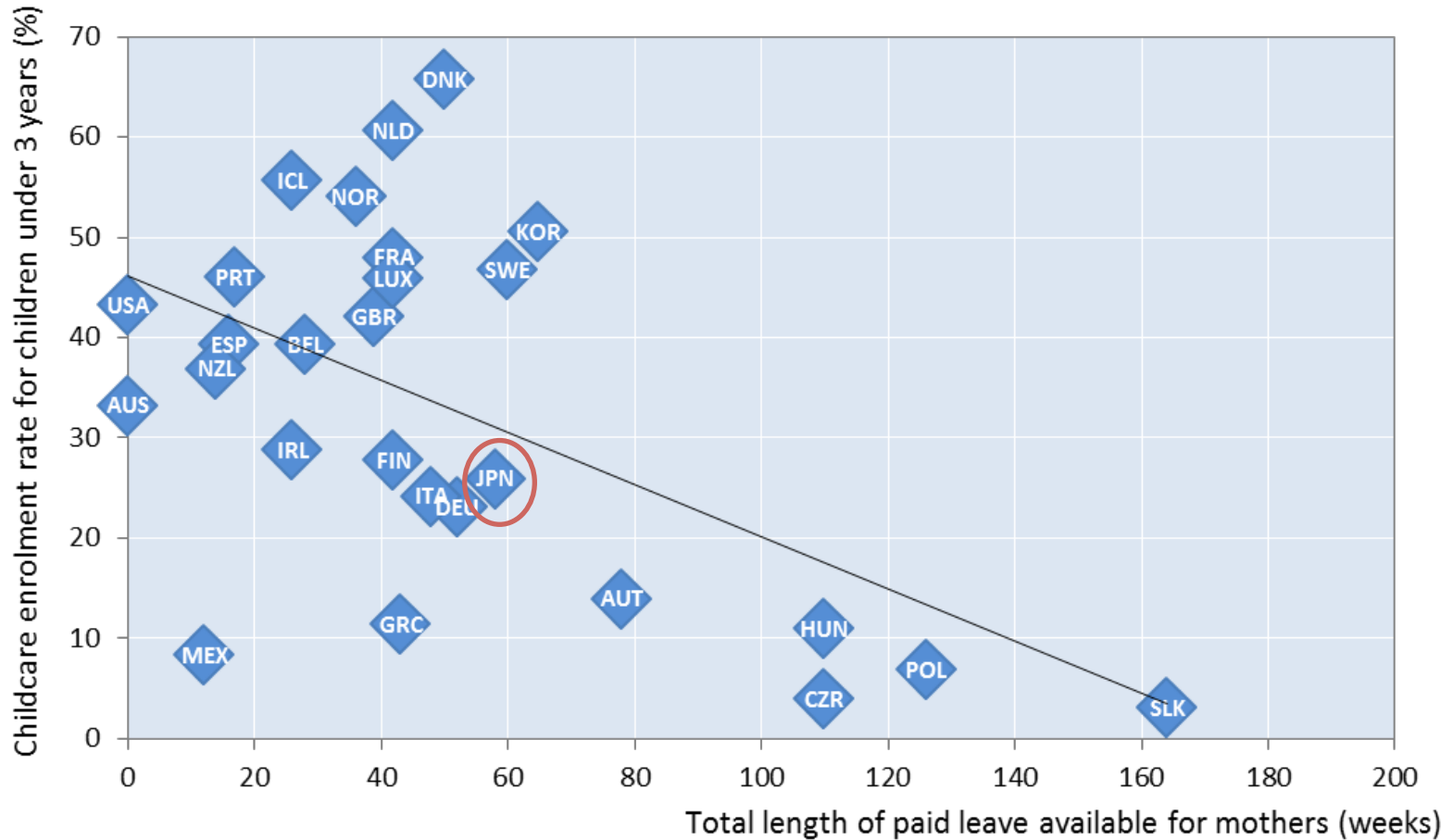
Notes: Public support accounted here only concerns public support that is exclusively for families

Source: *OECD Social Expenditure database* ([www.oecd.org/els/social/expenditure](http://www.oecd.org/els/social/expenditure)) provisional data



# Japans compares well in terms of paid leave but childcare participation for under 3s is slightly below average.

*Total length of paid leave available to mothers (weeks), 2010  
Childcare and preschool enrolment rates (%), 2010*





## Workplace cultures need to be conducive to both men and women using family-friendly policies

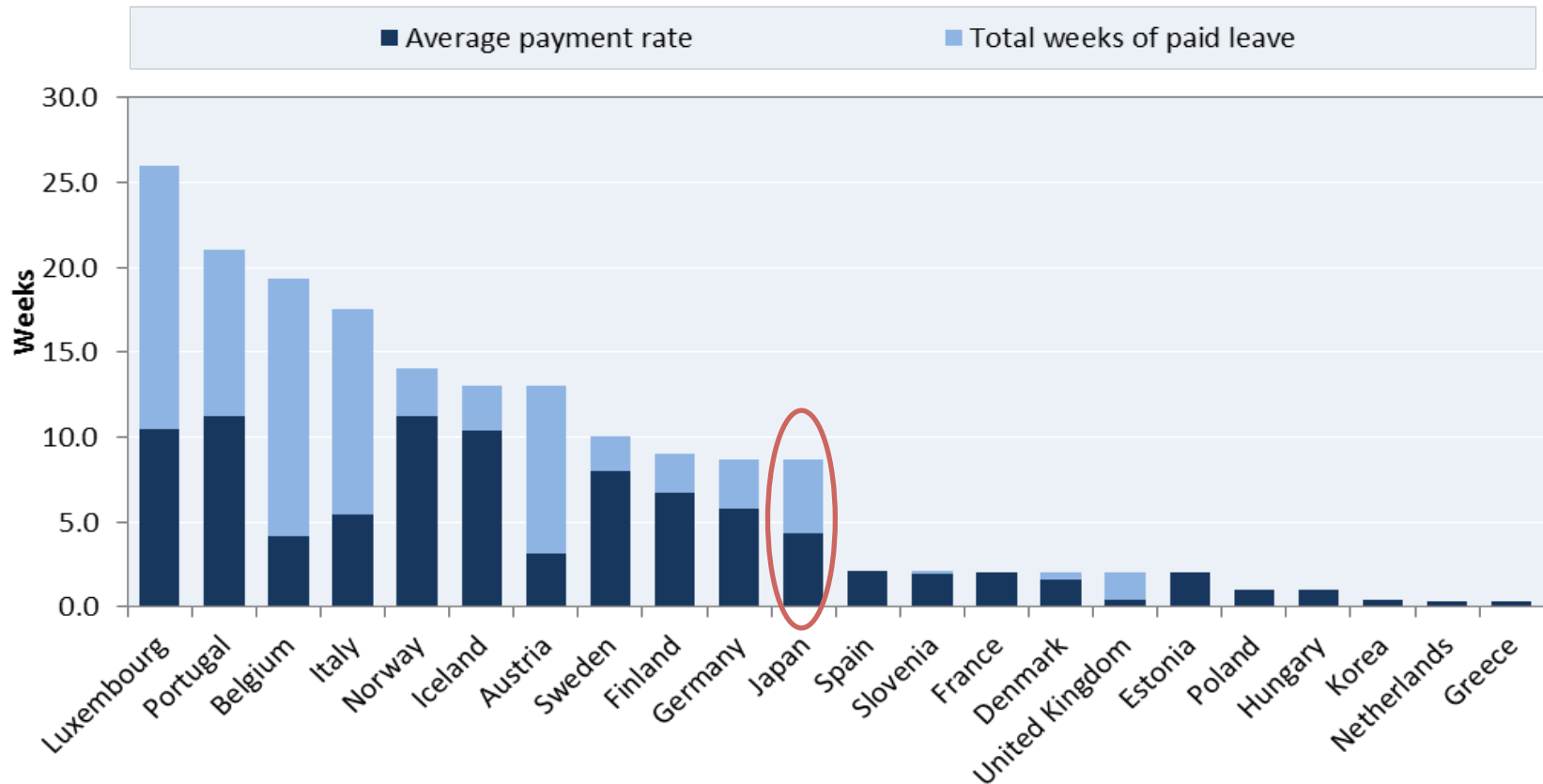
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- As long as women take more leave and/or are more likely to reduce their working hours, some employers will continue to perceive women as less committed to their careers and will invest less in them: such employers do not use potential labour force resources efficiently.
- Parental leave is one of the few direct policy levers governments have to get men and women to better share care commitments. “Father quota” or “Daddy bonuses”, including in Iceland and Japan.



If both parents take leave Japan's provides two months of bonus leave for one of the parents. Only 2 to 3% of working fathers used parental leave

*Weeks of paid leave entitlements reserved for fathers, 2013*







# THE INTERNATIONAL AGENDA OF GENDER EQUALITY



# Response of G20 Labour Ministers: declaration on “Preventing structural unemployment, creating better jobs and boosting participation”

**Employment Plans were developed for the first time** -- it was ***agreed*** to review progress with implementation and encourage their further development.

**Tackling youth and structural unemployment** -- ***committed*** to take concrete actions to place young people in education, training or jobs, and ***agreed*** to pursue policies to help prevent structural unemployment, including through well-functioning labour markets and opportunities for lifelong learning, which help to address skills mismatch.

**Tackling informality and unsafe workplaces** -- ***committed*** to develop strategies that support transitions to the formal economy, and ***committed*** to implement recommendations of G20 Statement on Safer and Healthier Workplaces.

**Promoting gender equality** -- ***committed*** to closing gender gaps in opportunities and labour market outcomes, and ***recommended*** that G20 Leaders adopt goal of reducing gender gap in participation by 25% by 2025



# Achieving the target will help strengthen labour supply...

## Projected number of persons aged 15-64 in the labour force, thousands, 2012-2025

— Baseline (1)

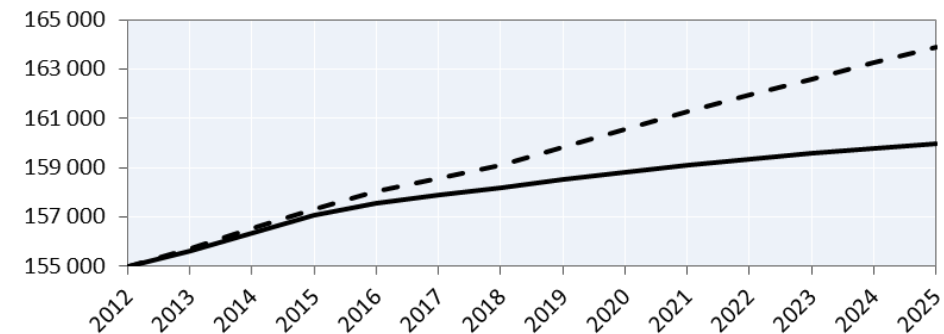
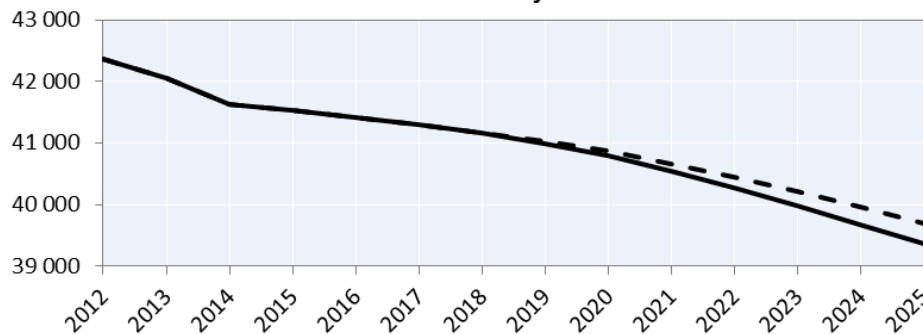
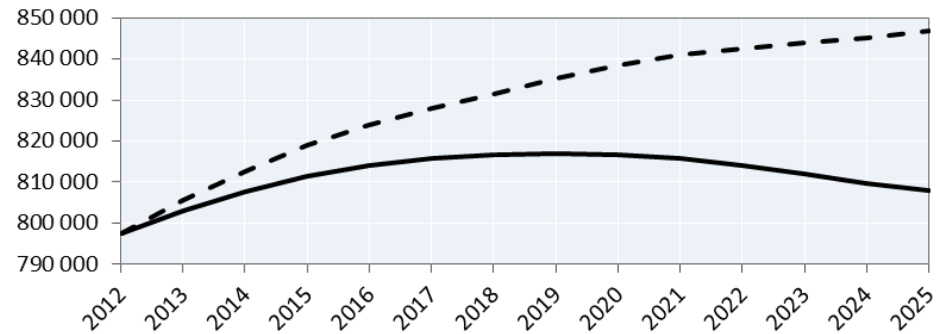
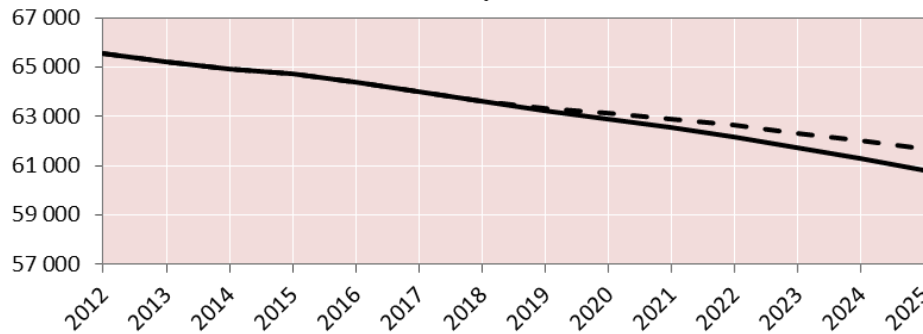
- - 25% by 25 (2)

Japan

China

Germany

United States



1. Baseline: Participation rates are projected by gender and for each 5-year age group by assuming that labour force entry and exit rates remain constant at their average value over the period 2003-2012

2. 25% by 25 (G20 target): The gender gap for each 5-year age group in 2025 is assumed to be 25% lower than its value in 2012. All other estimates for the female participation rate are obtained by linear interpolation. Where the projected reduction in the gender gap in the baseline scenario is already greater than the targeted reduction, the baseline projected labour force is taken instead.



# CONCLUDING REMARKS



## Public policy reform can enhance gender equality in the labour market...

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- Address stereotyping in educational choices at school from a young age; encourage girls to choose Science, Technology, Engineering and Mathematics
- Japan's leave system promotes a better sharing of paid and unpaid work among men and women...
- ...but could further enhance early childhood care and education support
- Tax/benefit reform is needed to strengthen labour force attachment among married women



## ... but changing workplace cultures is key to help parents find a better work/life balance

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There are no quick fixes and change requires a sustained effort, but labour market institutions, employers and workers need to change to make more efficient use of available economic resources and human capital:

- Limit prevalence of long working hours
- Equal access to entry in career tracks and career progression
- Strengthen the role of performance indicators in remuneration systems



## ... but changing workplace cultures is key to help parents find a better work/life balance (contd.)

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- Make workplace cultures conducive to use of maternity and parental leave rather than mothers leaving the labour force. Taking annual leave entitlements and/or parental leave by fathers should not be seen as a lack of commitment to the firm work and careers.
- Reduce the dichotomy between regular and non-regular employment and take down barriers to mother returners resuming work in regular employment.
- Leadership is important: Senior management should lead by example; make middle managers accountable for change, e.g. for staffers using their leave in full.

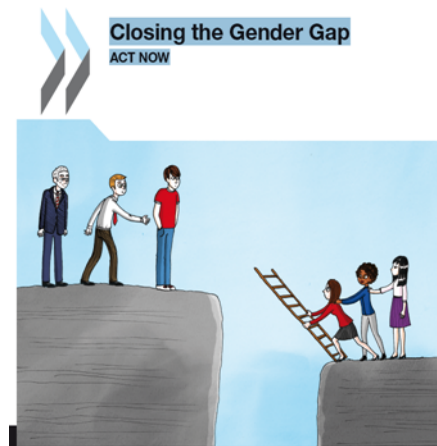


# Thank you

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