

## Abe's Womenomics Policy, 2013-2020: Tokenism, Gradualism, or Failed Strategy?

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*“Creating an environment in which women find it comfortable to work... is no longer a matter of choice for Japan. It is instead a matter of the greatest urgency.” — PM Abe Shinzō, speaking to the United Nations in September 2013. (Emphasis added.)*

*“Since Japan’s population is shrinking, capital is finite, and productivity gains will take time, unless radical steps are taken quickly, we argued [in 1999] that the nation not only faced the risk of a further decline in its productivity and potential growth rate, but eventually, lower standards of living as well.” –Kathy Matsui, Vice-Chair and Chief Strategist of Goldman Sachs Japan. (Emphasis added.)*

### Abe's Womenomics Policy in Historical Context

In 1999 a group of investment strategists at Goldman Sachs Japan led by **Kathy Matsui** applied the term ‘Womenomics’ to describe their recommended strategy for revitalizing the stagnant Japanese economy by “closing the gender employment gap” and promoting the better utilization of human capital through workplace equality.<sup>1</sup> Two decades later, and six years after seeing Womenomics adopted as official government policy, Matsui claimed that “one of the biggest game changers in Japan’s attitude towards gender issues was the shift from diversity being a social or human rights issue to being an economic and business imperative.”<sup>2</sup> This article critically examines whether the elevation of gender within economic discourse has been matched by results in the economy and in society. It finds that notwithstanding several important innovations in the past three years relating to labour standards, pay equity, tax policy, and the funding of both paternity leave and daycare, Japan seems fated to fall drastically short of nearly all its stated goals for gender equity in the 2020s.

“Abenomics”, a brochure and website by the Government of Japan updated in June 2020, touted the Abe government’s achievements since taking office in 2012 in promoting the status of women in the Japanese economy.<sup>3</sup> It pointed out that, between 2012 and 2019, the number of women in private sector management positions “approached 10%”, while 3.3 million joined the workforce. An impressive graph showed Japan’s labour force participation rate for females vaulting past that of the United States during this period, to 74.0% compared with just 70.9% for the US. Unfortunately, these statistics were misleading insofar as they failed to mention the precarity of the female workforce. In 2017, 50% of the 28 million women in the Japanese labour market were in ‘non-regular’ jobs with few benefits,

lower pay and shorter hours than 'regular' (i.e. 'permanent') employees, in comparison to just 16.7% of the 35 million male workers.<sup>4</sup> By 2019, these ratios had risen to 56.0% of females and 22.8% of males respectively.<sup>5</sup> Unsurprisingly, women disproportionately bore the brunt of unemployment in the COVID-19 recession. Of the record 970,000 people who had just been laid off in April 2020, 710,000 were women, making them the "shock absorbers" of the Japanese economy.



Image Source: [Savvy Tokyo](#)

The current situation of Japan's female workers is deeply rooted in 75 years of history. Postwar Japan pioneered novel institutions that combined both foreign and domestic elements in the realms of education, the financial system, bureaucracy and employment practices. In the economic arena, this meant that the export of manufactured products, capital and people was stressed, while their import was not. This strategy was facilitated and reinforced by a high domestic savings rate and high export earnings. An employment structure was also developed based on lifetime employment and seniority wages for elite workers in large corporations, enterprise unions which agreed to non-confrontational labour relations and long hours in exchange for job security, and paternalistic company welfare functions in elite corporations. These institutions of high-speed growth worked well enough to make possible Japan's rise to being the world's second largest economy, consistent with an advanced welfare state and lower levels of income inequality than almost every other developed country.<sup>6</sup>

Underpinning this entire system, however, was a sexual division of labour in which women accepted virtually sole responsibility for household management, the raising of children, and the care of aging parents. Women's management of household finances gave them an important role in helping to generate the savings that financed the economic miracle, but no say in shaping economic institutions or the salaryman culture that pervaded Japanese society despite only directly benefitting a small number of elite male middle-class workers.<sup>7</sup> As millions of women gained ground in affluence, education, and juridical status, many began to see the role of housewife and mother as a trap. R. Taggart Murphy describes this perceived trap as being more pronounced, and more problematic, in Japan than in other industrial and industrializing countries, where men are both more able and more willing to share in housework and child-rearing. "For while Japanese blue-collar workers, salarymen, farmers, small business owners, shadowy Far Right fixers, ambitious politicians and the University of Tokyo-bred mandarin class...had all had their input during the 1950s when the institutions of high-speed growth assumed their final shape, women were not represented. The consequences of their exclusion—both for them and for the men they married and the children they raised—would prove incalculable."<sup>8</sup> Feminist critiques have shown that the first generation of laws dealing with employment equity, childcare, eldercare, and sexual violence were inadequate to address the deep structural and cultural impediments facing women struggling to balance family responsibilities with careers.<sup>9</sup> <sup>10</sup> As Helen Macnaughtan observed in 2015, "[t]he lingering ideal of the male *salaryman* and the female *shufu* (housewife) is now hugely disconnected from social realities, but remains as an ideal because the alternative - the renegotiation of men, women, work and childcare - is complex."<sup>11</sup>

Moreover, the growing disillusionment of Japanese women with the *shufu* role model has occurred within an economic context of increased precarity of employment since the Great Recession of the 1990s. The increase in non-regular work for both males and females has meant that people are increasingly reluctant to commit to marriage and childrearing, which, in combination with a restrictive immigration policy, has meant that Japan is aging faster than any other large country.<sup>12</sup> The Japanese population has been shrinking, from its historic high of 128.5 million in 2009 to 124.2 million in 2020. (If this trend were to continue, there could be as few as 88 million people by 2055, with 38% of that population aged 65 or older, supported by a workforce that will have been cut in half to just 45 million.) Even under less alarming scenarios, and despite the stimulus afforded by Abenomics, Japan may find it increasingly difficult to encourage investment, avoid declining consumption of goods and services and deflation, manage its public debt (already the world's highest relative to GDP), or maintain its high standard of living. From a demographic perspective, the failure to restructure the gender order has produced the worst of both worlds: the rejection of the *shufu* model that once encouraged larger families, without the kinds of economic opportunities, cultural changes and institutional supports that could enable Japanese women to effectively combine child-rearing with careers (or contribute to raising productivity).

In 2020, Japanese men still did less housework than their counterparts in any other developed country, while women got less sleep than any of their counterparts, according to the OECD.<sup>13</sup> The postwar employment model and several aspects of its associated social compact are still firmly in place, despite this growing dysfunction, which explains how a G-7 country that ranked 19th among all nations in the 2020 United Nations Human Development Index has also slid to 121st out of 153 countries in the World Economic Forum's *Global Gender Gap Report*], a drop of 40 places since 2006. The equality ranking is a composite of four sub-indices: a respectable 40th in health; a more worrying 91st in educational attainment; and a dismal 115th in economic opportunity and 144th in political empowerment—the latter being by far the worst of any advanced industrial country. This paradox (no other country in the top 20 of the UNHD index is also in the bottom 50 of the WEF index of gender equality) is largely attributable to Japan's employment system, and to the inherent limitations of what Ayako Kano has called "state feminism" (state sponsorship and co-optation of gender issues), particularly under the aegis of the LDP and Abe Shinzo.<sup>14</sup> At issue is whether a few recent major initiatives in the areas of the provision of childcare, parental leave, work hours and tax policy, in addition to a number of ambitious but completely voluntary targets, promotional and educational activities, are adequate to address these demographic and economic challenges.

### **Continued Structural Inertia in the Employment System and the 'Breadwinner' Model**

Most scholars seeking to explain the very slow advancement of women in the Japanese economy, despite various types of legal support, stress that Japan's lifetime employment and seniority-based system for elite workers was generally 'rational' during the postwar period of high growth. Japanese firms anticipated an excess of labor demand over supply; lifetime security increased retention rates and prevented the loss of firm-specific human capital; and seniority-based wage and retirement schemes acted as a form of deferred payment that gave employees the incentive to work long term. Sociologist Kazuo Yamaguchi has argued that this appearance of rationality may have been deceptive: the system only had a limited ("strategic") rationality because of specific historical conditions

and cultural assumptions that were emphasized or constructed at a particular socio-economic juncture, the irrationality of which only became apparent once Japan's postwar period of rapid economic growth had passed. Yamaguchi observes that the popular 'cultural' theory that traces the origins of Japanese firms' attributes to the Edo samurai household "fails to explain why, barring a few exceptions, the Edo period samurai system was not widespread among Japanese companies during the Meiji, Taisho, and early Showa periods, and was only popularized during a period of rapid economic growth."<sup>15</sup> Nor does it explain why more elements of Japanese feudal agricultural households (*uji*), in which males and females worked together, were not chosen instead. He finds that "institutional inertia" was created in postwar Japan as mutually reinforcing practices, based upon strong job security and seniority-based wages, became established. These possessed high stability notwithstanding the existence of other, more rationally desirable institutions, which could have better served to attract, develop, and retain female employees. "From its inception, the Japanese employment system was created by overlooking the utilization of female personnel."<sup>16</sup>

Under this system, opportunities for regular employment are scarce for those who leave the workforce, regardless of their experience or educational attainment, and regardless of whether they do so for childcare reasons. Although this lack of second chances technically applies to men as well, women experience far higher turnover rates during child-rearing ages, typically retiring from regular jobs upon marriage or the birth of a first child, and then returning to the workforce as non-regular workers after their children are grown. As several leading Japanese labour scholars have stressed, regular employment in Japanese firms makes them "membership-type" organizations, and not just "job-type"; "kintract" (i.e. the combination of kinship and contract, applying the feudal loyalty to the household to the modern corporate context as the *quid pro quo* for lifetime employment) rather than simply "contract". Even the Japanese bonus system, which pays almost all regular employees at the same rate depending on company sales or profits, is starkly different from most Western-style bonus systems, which reward individual performance. When pay is premised upon collective performance, both management and trade union peers can enforce corporate norms, including the expectation of long hours from regular employees—an expectation premised upon the so-called 'traditional' sexual division of household labour in which females play the supporting role to the male breadwinner. The lifetime employment system, the seniority-based wage system, and the Japanese-style bonus system all serve to reinforce employee acceptance of constraint in exchange for security, even though the actual beneficiaries of that social bargain represent a shrinking proportion of the population.

Yamaguchi's game-theoretic analysis, which explains how the Japanese employment system displays strategic rationality at the expense of general economic rationality, is broadly consistent with feminist critiques of state feminism over the past three decades. Ayako Kano's account of feminist debates concerning the Equal Employment Opportunity Law (EEOL) shows how the elimination of paternalistic "protections" in the name of equality enabled more women to join the workforce, but the law was still heavily criticized by both liberal and radical feminists for caving in to business interests. "The issue of workplace equality was left to the discretion of employers, who simply created a two-track system—one that subverted the intent of the law and ensured that most women would remain in secondary positions in the workplace."<sup>17</sup> This system assigned the majority of men to the managerial career track (*sōgō shoku*) even if they lacked college education, and the majority of women, including college graduates, to the clerical career track (*ippan shoku*).

Stephanie Assmann argues that “the EEOL has always been a *guideline* for private companies rather than a policy enforced by *law*. ... Japanese companies have regularly evaded the EEOL by establishing a dual career track ... system [which] continues to be practiced to maintain gender-specific employment conditions, without openly declaring a gender bias.” She observes that the revised version of the EEOL in 2006/07, which forbids indirect discrimination, challenges the dual track system by further constraining the conditions for hiring and promotion. Nevertheless, those changes were implemented in the context of deregulation of the labour market, which limited progress against discrimination due to the rising tide of irregular and part-time employment.<sup>18</sup> The growing prevalence of irregular employment may have also blunted the economic benefits of the 1999 Basic Law for a Gender Equal Society and the subsequent five-year Basic Plans for Gender Equality, which set out specific numerical targets and deadlines (including several for 2020) as well as the promotion of work/life balance, child-rearing support and the development of policies to implement international standards. Economic insecurity no doubt contributed to some of the backlash against state feminist initiatives from about 2000 to 2006, much of it led by none other than Abe Shinzō.<sup>19</sup>

Indeed, certain aspects of sexual discrimination in the workplace may have increased during and after Japan’s Great Recession of the 1990s, notwithstanding the legislative advances during that period. Yamaguchi points out that in the past three decades, Japanese firms responded to recession and slower growth by replacing regular employment with non-regular employment through retirement and “restructuring”, thereby attempting to secure economic rent by keeping the wages of non-regular workers lower than their productivity. Consequently, the labour share of national income declined and corporations experienced a temporary improvement in their operating profits. Because this defensive measure did not raise productivity, though, and in fact left most traditional regular employment practices untouched, it actually gave rise to a new form of discrimination against women: “giving priority to men in new-graduate regular employment, unlike during the period of rapid economic growth when new graduates could find regular employment regardless of gender.”<sup>20</sup> But after the economic slowdown, more women could be slotted into the non-regular and *ippan shoku* (regular, clerical) positions exempt from long working hours. At least this development gave Prime Minister Abe something to brag about until the COVID-19 crisis hit: a temporary boost in female employment.

### **Beyond Tokenism? Recent Legislation and its Limited Effects**

The effectiveness of the 2018 Workstyle Reform Laws in providing equal pay for equal work and a labour market more conducive to work/life balance is difficult to gauge amidst the massive layoffs and revocations of informal job offers caused by the pandemic. Abe boldly pronounced that “[t]hese are the first major reforms [to labour laws] in 70 years. We will rectify the problems of working long hours and eradicate the expression ‘non-regular employment’ from Japan.”<sup>21</sup> Yet, as economist Naohiro Yashiro has pointed out, the formal prohibition against discrimination between regular and non-regular workers does not affect the large wage gap attributable to seniority-based pay, since employers are only obliged to pay equal wages to regular workers and non-regular workers with the same length of work experience at the same firm. “It de-facto rationalises the current wage gap mainly based on the seniority wage of regular workers.”<sup>22</sup> Moreover, the amendments enacted to improve pay and employment conditions for non-regular workers still do not explicitly refer to equality between men and women, and do not carry stiff penalties, but merely require

employers to explain the reasons for any differences upon an employee's request. This is consistent with the soft law 'comply or explain' approach favoured by both the corporate sector and the governing Liberal Democratic Party (LDP).

Yamaguchi's analysis of the 'gender wage gap' by a combination of employment types (four categories distinguishing regular versus non-regular employment and full-time versus part-time work) shows that gender differences in employment type explain only 36 percent of the gap.<sup>23</sup> In fact, the primary factor is the wage differential *within* full-time regular employment. "The elimination of the gender wage gap among regular workers is therefore a more pressing issue than fixing the overrepresentation of women in non-regular employment."<sup>24</sup> A major cause of this disparity is the small percentage of female managers in Japan. According to the 2017 Annual Report of the Ministry of Health, Labour and Welfare,<sup>25</sup> women hold just 6.6% of senior management positions (department director or higher); 9.3% of middle management (section heads); and 18.6% of lower management (e.g., task unit supervisor) positions.

Even more remarkable is how much Yamaguchi's research findings contradict employers' stated reasons for not promoting more women. The two major reasons given by personnel officers in surveys are (1) "at the moment, there are no women who have the necessary knowledge, experience, or judgment capability", and (2) "women retire before attaining managerial positions due to their short years of service."<sup>26</sup> His analysis of firms with 100 or more employees shows that only 21 percent of the gender disparity among regular workers in middle management (section heads) and above could be explained by gender differences in education and employment experience. In fact, "the proportion of managers among *female college graduates* is *far lower* than that among *male high school graduates*, for any given number of years of employment for the current employer."<sup>27</sup> In all, about 60% of the wage gap remains even after educational attainment, age, employment duration and working hours have all been equalized.<sup>28</sup> The rest of the disparity arises from gender differences in the *rate of promotion* to managerial positions among employees with the same levels of education and experience. (Hence the proportion of section head positions that women attain on average after 26–30 years of employment is attained by men within 5 years.) Yamaguchi surmises that the major underlying cause of gender inequality stems from the Japanese employment practice of promotion based upon seniority combined with indirect discrimination against women through firms' internal tracking systems. This practice of statistical discrimination based upon the putative probability of temporary job-quitting becomes a self-fulfilling prophecy, since women often quit their jobs when raising children due to their smaller chance of developing their careers in their firms.<sup>29</sup> Given the wider influence of corporate/salaryman culture in Japanese society, it is not surprising to find that this pattern extends beyond the corporation to the professions as well: for example, the now-discredited practice at Tokyo Medical University (and probably several other private universities) of making deductions from entrance exam scores for more than 10 years to curb the enrollment of women.

This issue is deeply structural and highly resistant to ordinary incremental inducements and exhortations. That is why Yamaguchi advocates broadening the definition of indirect discrimination in Japan's Equal Employment Opportunity Law:

In order to break through this present situation, the definition of indirect discrimination in

Japan must be changed to comply with international standards, including, as discriminatory practices, institutions that have a disparate impact on the minority, rather than only institutions that are discriminatory in intention. In particular, an essential requirement for gender equality of opportunity will be to prohibit by law internal tracking systems such as the distinction between the managerial career track and the clerical career track, which is very strongly associated with the employee's gender, as an institution of indirect discrimination.<sup>30</sup>

Such proposals, though, run counter to the general policy ethos of deregulation. After not a single Japanese company took up the Ministry of Labour's offer in April 2014 of between 150,000 and 300,000 yen apiece to train and promote women to supervisory roles, the government's Gender Equality Bureau reduced the target for female section heads in businesses to just 15%. In June 2020, it was announced that the 30% target would be delayed for up to a decade. In June 2020, the Minister of State for Gender Equality announced that the 30% target would be delayed for up to a decade. More importantly, there was still no indication that the new target would be mandatory or carry stiff penalties if not achieved. At present, only 4% of Japanese corporate board members are female, even though the stated goal for 2020 was 10% (most American and European companies are already over 20%). The government simply delayed the goal, with an additional promise "to aim for a society where men and women alike are in leadership positions" by 2050.<sup>31</sup>

Osawa Machiko, a labour economist at Japan Women's University, states that the problem will not be solved until Japan "develops a more liquid job market that would allow women to threaten to take their skills to other organisations."<sup>32</sup> Her analysis, like Yamaguchi's, is consistent with a recent OECD study recommending the labour market reforms that are needed in order to enable Japan to better utilize its human capital.<sup>33</sup> All of these experts agree that breaking down labour market dualism is crucial to expanding employment opportunities for women and older people, while reducing income inequality and relative poverty. This need not mean jettisoning the Japanese system in its entirety (Macnaughton, for example holds out hope that "core Japanese elements such as corporate loyalty and citizenship, commitment to investment in employee training and careers, and a priority for employee security before corporate profits can be extended to encompass female and non-regular employees"), but it does mean confronting the fundamental logic of seniority, tenure, collective bonuses, *sōgō shoku/ippan shoku*, and other aspects of the Japanese corporation that serve to reproduce gender inequality.

The rigidity and entrenchment of the system is why the gap between promise and performance is so pronounced in the area of parental leave. Japan's generous Child Care and Family Leave Law has been in place since 2009 and childcare leave benefits have recently been increased from 50% to 67% of parents' existing salary for the first six months of leave, and 50% thereafter for up to a year. Japan even has the longest paid-leave for fathers in the world, 30.4 weeks, according to a 2019 UNICEF Report.<sup>34</sup> The difficulty is that very few fathers use it. According to data compiled in the Ministry of Health, Labour and Welfare Basic Survey of Gender Equality in Employment Management for fiscal 2019, only 7.48 percent of eligible men used childcare leave.<sup>35</sup> (By comparison, 62% of eligible German fathers and 70% of Swedish fathers took at least two months of paternity leave in 2015, for a total uptake of the legally available leave of 30% and 45% respectively.<sup>36</sup>) Japan has experienced a steady incremental increase since 2011, but the figure remains far below the

government target of 13% of fathers by 2020 and 30% by 2025. The latter objective is unlikely to be achieved, but not because they are not interested. A 2017 Japanese government-commissioned study found that 35% of new fathers wanted to take paternity leave but did not because they feared the repercussions for status and promotion.<sup>37</sup>

Although there continues to be incremental progress in the development of new legislation,<sup>38</sup> the persistent under-utilization of paternity leave in the face of both legislated incentives and popular support for the policy suggests that there exists not just a cultural lag, but a collective-action problem: i.e. a situation in which individual rationality makes a collectively rational outcome impossible to achieve.<sup>39</sup> As such, mandatory paternity leave may be necessary in order to break the impasse. It would remove at a stroke the problem of intra-company competition deterring the use of parental leave, as well as the problem of inter-company competition pressuring managers to punish leave-takers. Such a proposal does not appear to be unacceptably radical for Japan, because in June 2019 50 Diet members, including 11 former Cabinet ministers, supported the idea.<sup>40</sup>

The expenditure of nearly 2 trillion yen in the 2017 budget to expand the scope of free education and childcare services, along with increasing childcare leave benefits and the reform of the dependent spouse tax deduction (which had discouraged women from entering the labour force by giving a tax benefit to married couples if a spouse — in most cases the wife — earned less than a certain amount) are more than just token measures. So are some of the revisions to Japan's labor laws. As of April 1, 2019 large firms (defined as firms with 300 or more employees) were required by the aforementioned Workstyle Reform Law to comply with a new overtime Basic Limit of 45 hours per month and 360 hours per year, although under "special circumstances" this can be extended to 100 hours per month and 720 hours per year.<sup>41</sup> It also carries a penalty for non-compliance with the new overtime rules that may include imprisonment for up to six months or fines of up to 300,000 Yen. Although it is not clear how much this directly affects women, given their small presence in the regular workforce, it does strike a blow against the prevalent 'more is always better' attitude toward male working hours.

Nevertheless, these measures reflect a narrow, compartmentalized strategy that is tailored to impose minimal restraint upon business. They may not be sufficient to engineer the kind of rapid structural, cultural, and societal transformation that many commentators feel is needed when the fertility rate in 2020 remains stuck at 1.369 births per woman (replacement rate is 2.1 per woman), and the cost of females not participating in the workforce on an equal basis with males is estimated by Goldman Sachs to be almost 13% of GDP.<sup>42</sup>

### **Supportive Social Policy and Increased Immigration as Policy Alternatives**

The reluctance of Japan's political elites to adopt a more comprehensive and aggressive approach is more baffling considering their resistance to mass immigration, which is the only feasible policy alternative to Womenomics for stemming the effects of demographic decline. The United Nations estimated in 2009 that Japan would need 650,000 immigrants per year to stabilize the nation's population (the actual number of net immigrants in 2019 was 165,000). Although the majority of Japanese people surveyed are not opposed to gradually increasing immigration to meet labour shortages, there is official opposition to

creating a large, permanent immigrant community.<sup>43</sup> One reason for this is the difficulty that was experienced in integrating the 370,000 *nikkeijin* (ethnic Japanese born in Brazil and Latin America) between 1990 and 2010. That policy failure suggested that unfamiliarity with the Japanese language and culture presents a serious obstacle to reliance upon immigration as the primary policy instrument for solving Japan's demographic dilemmas.<sup>44</sup>

Japan therefore needs to ask how seriously it takes, or ever took, the goal of raising its fertility rate from under 1.4 to 1.8 by 2025. France furnishes perhaps the most relevant international comparison because it successfully used public policy to raise its fertility rate from 1.7 to nearly 1.9 in just 10 years between 1993 and 2003. The French began precisely where conservative Japan has thus far feared to tread: by taking the broadest, most liberal definition of family possible, to include unwed couples, adoptions, same-sex couples, and single parents. French maternity leave (fully paid for sixteen weeks per child for the first two children and twenty-six weeks in the case of a third child, with an additional monthly stipend that rises with the number of children) can be split with partners, with an additional eleven days of paternity leave reserved exclusively for fathers. A mother can also take an additional two and a half years without pay, *with a guaranteed right of return to her job* (up to five years leave if there is more than one child). French law *requires* that at least 40 percent of directors be women (or not fewer than the number of men minus two for smaller corporations). Yet Japan purportedly seeks to raise its fertility rate twice as much as France by doing considerably less. Moreover, France's current fertility rate of 1.85 births per woman is due to French-born mothers giving birth at a rate of about 1.75, plus the contribution made by immigrant mothers, who in 2017 averaged 0.8 more (all told, immigrant mothers contributed 18–19% of French births in 2017).<sup>45</sup> Japan's reluctance to greatly increase its levels of immigration means that it is even more reliant than France is upon its domestic fertility rate, making its task that much more difficult.

Although the number of children waiting to enter authorized daycare facilities in Japan as of April 2019 was the lowest (16,772) it had been since records started in 1994, new demands arising from the advent of free daycare for children up to the age of two from low income households, coupled with a growing shortage of childcare workers eating into the profitability of private preschools and daycare centers, means that the goal of eliminating waiting lists remains elusive.<sup>46</sup> To achieve its ambitious goals for both increasing female labour participation and raising birth rates, however, Japan should probably take a page from Scandinavia and the Netherlands and not just from France. That is: it should supplement these social policy supports with policies that take more direct aim at gender equality and labour market flexibility across different job categories.

There is also more that can be done in other areas of family law and social policy, such as providing more support for (or at least fewer impediments to) single parents, unmarried parents and gay couples who may wish to raise families. Opposition parties submitted a bill in 2019 that proposed legalizing same-sex marriage, but the Abe government declined to debate it, on the grounds that same-sex marriage is prohibited by Article 24 of the Constitution, which states that "marriage shall be based only on the mutual consent of both sexes." That conservative interpretation of Article 24 is currently being challenged in the courts, and the Japanese Bar Association has recommended that Article 24 be interpreted so as to not deny the Article 14 guarantee of Equality.<sup>47</sup> The first judgement in this case is expected in the Sapporo District Court on 17 March 2021. Some prefectures have issued

partnership certificates to same-sex couples,<sup>48</sup> and the trend in public opinion is unmistakable: according to a poll carried out by Dentsu in October 2018, 78.4% of Japanese people under the age of 60 were in favour of same-sex marriage.<sup>49</sup> It is telling however that the national government is more of a hindrance than a help to recognizing non-traditional family structures, notwithstanding its ostensible commitment to promoting adoptions and to facilitating the careers of all women and couples who decide to raise children.<sup>50</sup>

### **Tokenism in the Political Arena: Gender Inequality and the LDP**

Abe Shinzō acknowledged the need to complement efforts to promote female managers in the private sector with those to encourage both elected and non-elected officials in the public sector. Nevertheless, his government managed to avoid several key opportunities to break the glass ceiling at the highest reaches of government. First, the issue of female succession to the Throne of Japan: the existing Imperial House Law of 1947 remains a clear affirmation of patriarchy and patriliney in a country that needs just the opposite.<sup>51</sup> Second, Abe allowed the number of women in his Cabinet to slide from seven in 2014, just after Womenomics was announced, to just two in 2020, a number maintained by his successor, PM Suga Yoshihide. Third, the lack of female representation in the Diet: Japan's electoral system allows for 176 members of the House of Representatives and 96 members of the House of Councillors to be elected from party lists in accordance with proportional representation (PR). In most countries with a PR-element in their electoral system, political parties use PR-lists in multi-member constituencies in order to enhance and ensure female and minority representation. Emma Dalton's work describes how the replacement of the multi-member Single Non-Transferrable Vote with the mixed-member plurality system in the electoral reform of 1994 raised hopes for a similar breakthrough in Japan, which did not materialize due to a series of moves by LDP politicians calculated to defuse its radical potential. One aspect of this was the steady reduction in the number of PR seats (from one-half or 250 in the original proposal of the Hosokawa government, to 226 in the compromise negotiated by Hosokawa with the LDP in November 1993; to the 200 PR elected in 11 regional blocs that was included in the 1994 law and used in the 1996 general election, to 176 out of 480 seats used in the 2000 general election and afterwards). Arguably even more important was a provision in the 1994 law allowing dual candidacies across the two electoral segments (the "zombie" clause), which protected the careers of incumbents and thus greatly reduced opportunities for women. Most parties, in particular the LDP, resisted calls for quotas. Some campaign finance reforms limited the power of private money and provided some modest government funding of parties, but these measures had only modest effect, with female representation in the Diet rising from 2.7% in 1993 to just 7.3% in 2000, and then levelling off.<sup>52</sup>

The political reforms of 1994 also gave the PM increased powers in order to curb the cost and frequency of elections and to reduce the scope for local pork-barrel politics, corruption and factionalism. These powers helped Abe to achieve a more cohesive cabinet, greater political stability and to eventually become, in 2019, Japan's longest-serving prime minister. He was also able to overcome the veto power of the agricultural lobby and other domestic constraints in order to become a leader on free trade in the wake of President Trump's withdrawal of the US from the Trans-Pacific Partnership. Nevertheless, he allowed the LDP to repeatedly water down a multi-party bill aimed at promoting the recruitment of female candidates. Why was the law eventually adopted in 2018 calling for parties to "aim for"

balanced gender representation among candidates in elections not made binding, *at least with respect to the PR-list seats*? As it happens, in the first local elections held under the new law in April 2019, a record six out of 59 mayoral races were won by women. In prefectural assembly elections, women constituted 12.7 percent of candidates, winning 10.4 percent of those seats. This was a slight increase over the 9.1 percent of prefectural assembly seats that went to women in 2015. In the July 2019 Upper House election, the percentage of female candidates rose from 24.7 percent in the 2016 election to 28.1 percent, winning 28 out of the 124 seats (22.5 percent). These numbers were all modest improvements, but they could have been significantly better if the candidate lists in multi-member districts used for proportional elections had been gender-balanced to begin with. It was also telling that only 15 percent of LDP candidates were women, compared with 45 percent for their main opponents, the Constitutional Democratic Party (CDP).<sup>53</sup> Qualitative research confirms the continuing prevalence of a patriarchal party culture in the LDP, including the norms internalized by LDP women themselves.<sup>54</sup>

These missed opportunities reflect both the government's narrow conception of Womenomics as simply part of an economic growth strategy, and the social conservatism of Abe and many leading members of the LDP. The short-term success of the first two arrows of Abenomics (monetary easing and fiscal stimulus) meant that between 2012 and 2019 the government had been able to postpone or avoid actions that were less politically popular among its core constituencies. As Jeff Kingston observes, "Abe's 'Three Arrows' strategy suffers because the third arrow of structural reforms remains in the quiver. ...[F]inancial markets rejoiced that the Bank of Japan was underwriting guaranteed stock gains...[while]increased government spending on public works projects...helps construction companies and generates jobs in rural areas where longstanding LDP activists reside."<sup>55</sup> No comparable constituency exists for Womenomics, which is basically a public good. The lack of a strong centre-left Opposition party after the implosion of the Democratic Party of Japan (DPJ) in 2012 has meant that there is no longer an alternative government-in-waiting to compete on the basis of a more progressive program. This power vacuum has undoubtedly boosted the relative influence of the Nippon Kaigi (the "Japan Conference"), the conservative right-wing organization that included Abe and most of his Cabinet. (Although Nippon Kaigi has also included some important female leaders, such as former defense minister Inada Tomomi, it is hardly known for promoting feminist policies.)<sup>56</sup> During the campaign to secure the succession of Abe as President of the LDP, neither the eventual winner, now Prime Minister Suga, nor the other leading candidates (Ishiba Shigeru and Kishida Fumio) proposed to do more than "push for female hiring targets and more progress on child-care provision."<sup>57</sup>

### **Womenomics and Business**

Members of the business elite, upon whom the LDP rely heavily for advice and support, are also complicit in this policy drift. In 2017, Keidanren agreed to foot 300 billion yen (US \$2.7 billion) of the 2 trillion yen daycare and education initiative of the government, to be paid in the form of employer contributions under the employee pension insurance system.<sup>58</sup> Japan still, however, lacks an official evaluation system to check the daily operations of nursery facilities, and suffers from low pay for qualified daycare workers, resulting in an acute labour shortage. Lack of regulation and cheap labour may prove attractive to foreign companies looking to open private daycare centres,<sup>59</sup> but they also arguably neglect the quality of

educational and daycare services, which is what matters most to working parents.

Capital markets also stepped up to the plate, as when, in 2018, the Corporate Governance Code set out by the Tokyo Stock Exchange and the Financial Services Agency was revised to stipulate that at least one female board member was “expected” to be in position at every listed company. *Nikkei Asia* reported in December 2020 that “[c]ompanies in Japan will be encouraged to set voluntary targets for female and foreign managers and provide information on their progress under a revised corporate governance code due out in the spring of 2021.”<sup>60</sup> Kathy Matsui, reflecting in 2019 upon the progress of Womenomics over the previous two decades, expressed a measured satisfaction that it had “helped shift corporate managers’ and societal attitudes to the critical role gender diversity can play in driving growth” and “while Japan is still far from reaching its targets on female leadership representation, headway has been made in other areas.” Matsui recommends that Japan consider temporary quotas for the Japanese Diet, but—despite reiterating the stakes, in terms of implications for productivity, economic growth, and standards of living, of gender inequality and depopulation—does not recommend stronger regulation of the private sector.<sup>61</sup>

That is because ‘Womenomics’ keeps bumping into another glass ceiling: the need to cohere with the other “Arrows” of Abenomics and with business imperatives. Goldman Sachs, Keidranen and other business elite organisations are committed to a general strategy of deregulation, privatization, and other market-oriented policies to maximize growth. Lobbyists have successfully persuaded the government to follow a neoliberal prescription that preserves managerial autonomy,<sup>62</sup> a shift to more regressive expenditure taxes, and deregulation. These lobbyists and advisers in the private sector have not, however, been inclined to advocate quotas for hiring and board representation, a broader definition and stronger regulation of indirect discrimination in the workplace, higher minimum wages, or mandatory paternity leave.

### **Conclusion: Womenomics and the Limits of Neoliberal Reform**

It is undeniable that the last three years of the Abe government in Japan saw a move beyond mere tokenism and symbolism in certain key policy areas relating to Womenomics. The investments in daycare, parental leave, and the cap on working hours are significant, if not exactly transformational. The long-criticized ceiling for the spousal tax deduction was finally raised from 1.03 million yen to 1.5 million yen, encouraging more women to work—although out of political sensitivity to many women who are still full-time homemakers, the tax deduction framework remains firmly in place.<sup>63</sup> The new Prime Minister, Suga Yoshihide, states that he is committed to giving renewed momentum to the ‘third arrow’ of structural reform, including labour market reforms that would promote gender equity.<sup>64</sup>

Nevertheless, these recent innovations do not fundamentally alter the validity of Helen Macnaughtan’s conclusion that the system continues to serve the “ideal of core regular male employment,” and that until that model is dismantled, genuine progress for both men and women will be impossible to achieve. Nor have they disproven Jeff Kingston’s prediction in 2014 of “a muddling-through scenario of crisis-averting half-measures” by the Abe government in response to the growing needs of the precariat, women, youths, and immigrants. The case has not been convincingly made that continued incrementalism, with

heavy reliance upon voluntary targets and disclosure requirements, is sufficient to achieve the dramatic change that Japan needs. It is still rational for too many employers to bet against women staying in the workforce to the same extent as men; for fathers to not take the full paternity leave to which they are entitled; and for women to not attempt to combine ambitious careers suited to their talents with the raising of families. The complaint from corporations that not enough female talent was in the pipeline to meet the 2020 hiring targets for managers was the self-fulfilled prophecy of a discriminatory dual track career system. In the face of such an entrenched system of gender inequality, to base one's optimism on the idea that the "critical tailwinds" of social investment and generational culture change will serve to blow Japan across the finish line<sup>65</sup> is to miss the historical lesson that it was determined political leadership that once fashioned "Japan Inc." This may be needed again to forge a more inclusive and egalitarian political economy that fits 21st century realities.

The paradox of the Abe-era reforms is how extensive legislation and publicity efforts to change the system nonetheless tiptoed very carefully around the same political coalitions between conservative policymakers, politicians, large firms, and core regular workers that consolidated labor market dualism and inequality during Japan's protracted recession of the 1990s and 2000s. By not offending these key constituencies, the LDP may have maintained its grip on power, but in so doing may have jeopardized Japan's long-term growth and progress. In contrast, by reducing the distinctions between regular and non-regular employment; prohibiting internal tracking systems that have highly gendered effects; making targets for female managers and Board appointments mandatory; making paternity leave compulsory; reserving half of the Diet's PR-list seats for female candidates; and strongly supporting parents regardless of their gender, sexual orientation or marital status, Suga could break some of the vicious circles that prevented Abe's government from reaching its stated goals. To make Womenomics work, Japanese neoliberalism must bend to the requirements of gender equality, and not just the other way around.

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## Notes

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<sup>3</sup> "[Abenomics: For future growth, for future generations, and for a future Japan.](#)"

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- <sup>16</sup> *Ibid.*, Sect. 1.2.2.
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- <sup>18</sup> [Assmann, op. cit.](#)
- <sup>19</sup> Kano. *Op. cit.* Pp. 3-4, 155-165. See also Tomomi Yamaguchi. "'Gender Free' Feminism in Japan: A Story of Mainstreaming and Backlash," *Feminist Studies* 40, no.3, 2014. Pp.541-572.
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<sup>42</sup> Kathy Matsui, Hiromi Suzuki, and Kazunori Tatebe. "[Womenomics 5.0: 20 Years On](#)".

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<sup>49</sup> "[Dentsu Diversity Lab Conducts 'LGBT Survey 2018'](#)". *Dentsu*. 10 January 2019.

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<sup>60</sup> Mari Ishibashi and Ryosuke Eguchi, "[Japan governance code to urge hiring targets for women and foreign bosses.](#)" *Nikkei Asia* December 9, 2020.

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<sup>63</sup> Philip Brasor and Masako Tsubuku. "[Japan's tax laws get in way of more women working full time.](#)" *Japan Times* March 5, 2019.

<sup>64</sup> Ryushiro Kodaira . "[Can Suga replicate success of maverick reformer Koizumi?](#)" *Nikkei Asia* September 22, 2020. One encouraging sign in this direction is that [Suga also already promised](#) to make infertility treatment eligible for coverage by national health insurance.

<sup>65</sup> Matsui. 2019. Op.Cit., P.160.

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