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## INTRODUCTION

### Trends in Disparities

The “equality myth” was one of the terms used to describe Japanese society in the latter half of the 20<sup>th</sup> century, and was considered to be a particular feature of Japan as it accomplished post-war economic growth after recovering from a war that killed more than 3 million and literally left the country in ashes. However, these days this myth is disappearing, or at least there is a concern that it may be doing so. The unemployment rate has risen to levels not seen in the past, and the number of suicides shows no sign of decreasing. In contrast, much attention has been given to “the rich” who live in upmarket houses in the center of Tokyo, leading to the coinage of the term “Hills-zoku” (a tribe of people who manage business or live in the Roppongi Hills building complex in Tokyo). It has been pointed out that not just the economic system, but also Japanese society as a whole is undergoing significant change.

The issue was also discussed in the political arena and gained the attention of a very large number of people, so much so that the arguments were liable to be influenced by the inclinations of certain political forces and consequently thoroughgoing analysis of factual data often went unnoticed. In this feature, we would like to show through discussions based on actual data that there can be varying views on the emergence and disappearance of the “equality myth” in Japan. In relation to the concepts of equality, we particularly focus on general wage differentials, wage differentials between men and women, regional divergences, and sociological divergences, and then summarize the trends of each in recent years.

Mr. Takehisa Shinozaki studied the trends of general wage differentials in “Wage Inequality in Japan: 1979-2005”, and underlined in his paper that there are many excellent statistics that help to shed light on wage differentials in Japan. However, even though the trends in wage differentials differ from statistics to statistics, it is nonetheless commonly observed that wage differentials gradually expanded from the latter half of the 1990s to the 2000s. It is interesting to note that when compared with other existing research, his study shows that when data obtained in the 2000s is included, the trend of expansion in wage differentials becomes clearer. The study also helps us to

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understand that while the OECD's report in 2006 on the wage differentials in Japan gained much attention, the data used by the OECD accounts for only a fraction of the available data on the subject. Meanwhile, wage differentials between men and women are not expected to be eliminated. Mr. Masahiro Abe confirmed in "Does Asymmetric Information Influence the Wage Differential between Men and Women" that the causes of actual wage differentials between men and women cannot be explained by what firms perceive as the difference in the average productivity of men and women.

Mr. Kazufumi Yugami indicated in "Regional Divergences in Unemployment Rates in Japan and Their Factors" that there are regional differences in unemployment rates and non-employment rates. However, these differences are only apparent, and when industrial and demographic structures are controlled the differences tend to narrow. The discovery that the differences in regional economic variables are narrowing, whereas the general wage differentials are at the very least not decreasing, is important in the evaluation of the differentials from the viewpoint of welfare.

In Ms. Sawako Shirahase's "Trends in Income Inequality: A Sociologist's Perspective," the author commented on the recent discussions about inequality from the viewpoint of a sociologist. The following observation is particularly interesting: "There have always been disparities in Japanese society, and it is not that they substantially and uniformly widened or that inequality that did not exist in the past suddenly emerged." Associating today's discussions about economic disparities with the "decline in the validity of the 'model of the standard household' used as the basis of various systems," she discusses about public assistance for those who do not fit into the standard model.

This feature consists of the four papers mentioned above, which describe the current state of economic disparities in Japan and provide examples of how they can be interpreted. It is hoped that this feature will help readers to understand that what is currently happening in Japan is not only a linear expansion of disparities and social change, but also a convolution of a wide range of aspects.

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