An International Comparison of Gender Equality: Why Is the Japanese Gender Gap So Persistent?*

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When it comes to gender equality, Japan lags behind other advanced countries despite the introduction of Equal Employment Opportunity Act in 1985. This article discusses institutional conditions that promote gender quality in the market place, and shows those conditions are largely lacking in Japan. Generally speaking, many consider Scandinavian countries as vanguards of gender equality. These countries have adopted extensive policy support enabling mothers to balance work and family. This article argues that mother-friendly policies are not the only factors that explain the relative economic position of men and women. It uses the US and Spain in order to highlight different institutional scenarios to promote gender equality. The economic position of Spanish women used to be as low as that in Japan. More specifically, this article discusses the equalizing effects of the following institutional conditions: (i) strong anti-discrimination laws matched with class action suits, (ii) the presence of professionally-oriented educational systems that allow women with academic abilities entry into high status occupations; (iii) market conditions that enable women to outsource their unpaid domestic work; and (iv) availability of contraceptive methods that give women control over their reproductive decisions.

I. Introduction

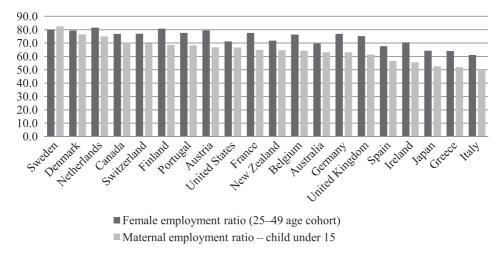
A quarter-century has passed since the enactment of the 1985 Equal Employment Opportunity Act in Japan. The economic status of Japanese women, however, remains well below average as compared with women in other developed nations as the recent gender report published by OECD highlighted (OECD 2012). This paper conducts an international comparison to examine the problems with the employment environment for women in Japan and the efforts taken to address them.

II. Gender Equality in Employment in the Developed Nations

Different measurements are used to capture the degree of gender equality in employment. By any measure, women's social progress in Japan has lagged far behind other nations.

Figure 1 compares the employment rates of women in advanced industrial countries. The columns to the left show the employment rates of women aged 25 to 49, while the columns to the right show the employment rates of mothers who have children under the age of

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Source: OECD Family Database online (2011), Chart LMF1.2.A. Figures from 2008.

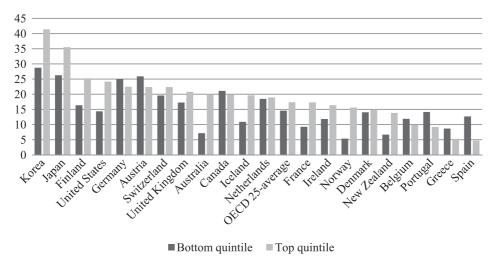
Figure 1. Maternal Employment Rates (%)

15. This figure shows that Japan has the lowest employment rates of women/mothers, on par with the countries of southern Europe.¹

Next, let us look at the wage gap between men and women who work full time. Figure 2 shows gender wage gap (how much more men earn relative to women) among men and women in the bottom and top quintiles of wage distribution in respective countries.

Let us examine the overall trend in gender wage gap first. Japan and South Korea stand out for their large gender gaps. Surprisingly, the gender wage gaps are very small in Southern European countries—despite that fact that they resemble East Asian countries such as Japan and South Korea in their low female employment rates (as shown in Figure 1). The US, Australia, New Zealand, France, and Nordic countries (with the exception of Denmark) demonstrate an interesting pattern. These countries have small gender gaps among men and women in the bottom quintile, but big gaps among men and women in the top quintile. In fact, the gender wage gap among high earners in this group of countries is as large as in Japan and South Korea. This pattern—that is much bigger gender gap among high earners—suggests that occupations and workplaces that offer high wages are still largely dominated by men. It is important to emphasize that this trend is evident in Nordic countries, which have a strong reputation for gender equality. Finally, Germany, Austria, Canada, the Netherlands, Denmark, and Belgium demonstrate a more uniform pattern of gender wage gap. In these countries, the magnitude of gender wage gap does not change by

¹ Public childcare services are not very developed in the English-speaking regions of Canada, but are quite heavily developed in the Quebec and French-speaking areas. In countries like Germany, Switzerland, and Belgium where policy responsibilities are decentralized, the rates of development of public childcare differ significantly across municipalities and regions even within the same country.



Source: OECD Family Database online (2011), Chart LMF1.5.B.

Figure 2. Gender Gap in Full-Time Earnings at the Top and Bottom of the Earnings Distribution (%), 2008

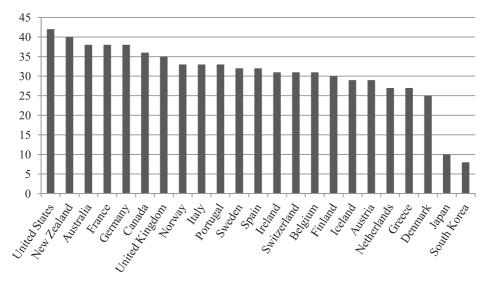
quintiles.

Scholars explain the presence of gender wage gap in terms of factors such as discrimination against women, differences in human capital (education and experience) and occupational segregation by sex (Mincer and Polachek 1974; Charles and Grusky 2004; Charles et al. 2001). Although Figure 2 does not control for these kinds of personal attributes, the OECD data on the length of enterprise tenure (a proxy for work experience) and female enrolment rates in tertiary education show that Japan lags behind other advanced industrial countries.²

Occupational segregation by sex can be measured in different ways, and a number of indices exist. Here, I will look at two simple measures of female advancement into selected high status occupations traditionally dominated by men: (i) the proportion of women in upper-level occupations (corporate managers, top government leaders, and politicians, Figure 3); and (ii) the proportion of women in professional occupations, such as researchers (Figure 4).

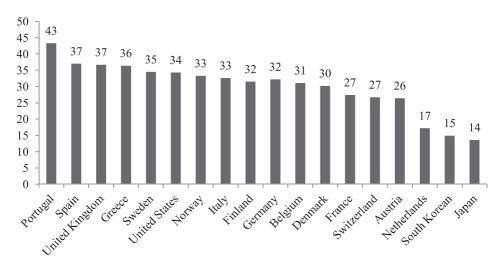
In Japan, the proportion of women in such positions is extremely low. In contrast, English-speaking countries like the US, and Nordic countries score very high on women's social advancement by most measures. It is worth noting that women in English-speaking countries enjoy a higher status than women in Nordic countries—countries renowned for their commitment to gender equality and generous family-work reconciliation policies

² In advanced industrial countries, the rate of university advancement among women has long been higher than that among men, but in Japan, the number of male university students still exceeds the number of female students (see *OECD Education at a Glance* for each year).



Source: United Nations Development Program, Human Development Report 2008.

Figure 3. Ratio of Women in Managers, Government Officials and Politicians (%)



Source: Cabinet Office (2011, figure 35).

Figure 4. Ratio of Women among Researchers/Scientists (%)

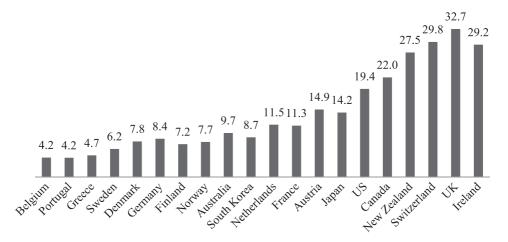
(Figure 3). From a Japanese perspective, the situations in those countries may seem too good to be true, but even in the gender-equality superpowers like Sweden, there are invisible barriers preventing the upward mobility of women (Henrekson and Tenkula 2009). In a later section, I discuss possible reasons for this in relation to the gender gap in the higher wage bracket, mentioned earlier.

Figures 1 to 4 reveal an interesting contrast between Japan and Spain, which cannot be explained by the prevailing theories of gender inequality. Spain resembles Japan in its strong familialism and its low rate of female labor participation (as shown in Figure 1). In the 1980s, Spain, like Japan, was trailing the other advanced industrial countries in various measures of gender equality. Social welfare systems and labor market conditions worked to the disadvantage of women in both countries. The two had also been similar in the labor market rigidity (particularly for full-time regular employment), their long working hours, their low male participation rates in housework, and their under-developed public childcare services. However, when we compare these two countries today, we find that the ratio of women in research positions in Spain so much higher than Japan (Figure 4), and the ratio of women working as politicians or in management positions is three times higher in Spain than in Japan (Figure 3). Spain has long had a lower gender wage gap than Japan, and unlike Japan, has an extremely low gender gap in the top quintile of the national wage distribution (Figure 2). Why have women in Spain been able to attain higher status than they have in Japan, given both countries' disadvantageous institutional conditions? This is an important question that will be discussed in the next section.

Various kinds of institutions and policies help promote equality of opportunity in the labor market. Family-work reconciliation policies that facilitate women's access to work promote equality by offering the "carrot" (incentive). Laws that prohibit gender discrimination promote equality by using the "stick" (punishment such as penalties for infractions). Gender-neutral tax and social welfare systems, characteristics of the labor market, approaches to education and occupational training are all relevant institutions and policies that shape the overall gender environment. In the next section I will examine which institutional conditions are most effective by contrasting the US gender-equality strategy against the Nordic strategy.

III. The Swedish Scenario: Incentive-Driven Policies to Promote the Employment of Mothers

Sweden remained neutral during World War II. As a result, not only was Sweden spared the wartime devastation that the rest of Europe experienced, but benefitted greatly from the postwar reconstruction boom in Europe. Swedish exports of steel and other goods increased. The labor shortage that resulted from the postwar economic boom was initially met by immigrant labor. However, the government quickly shifted to the new policy of mobilizing native married women into the work force. In order to mobilize married women, the government expanded the supply of public childcare services in the 1960s. The government also reformed the tax system in the 1970s from a household-based taxation to an individual-based taxation. The new individual-based taxation removed tax penalties against second earners within the household (typically wives). During the same period, the childcare leave program was introduced to allow parents to take time off work without being laid off. From



Source: OECD Family Database online (2011), Chart PF3.4.B.

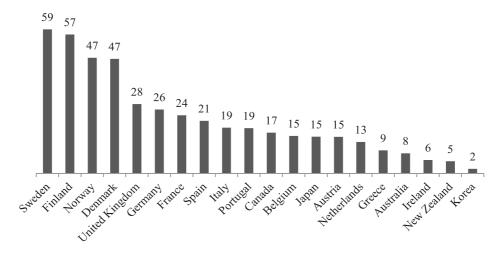
Figure 5. Net Childcare Costs for a Dual Earner Family with Full-Time Arrangements of 167% of the Average Wage, 2004

the very beginning, fathers had the same rights as mothers to take time off to care for children. The government has since guaranteed childcare as well as elder care as rights of Swedish citizens.

Sweden (and Nordic countries, more generally) is known for promoting the employment of women, as well as for creating an environment where it is easy for women to have children. Unlike in Japan, family work reconciliation policies are fully developed in Sweden. The common pattern is for children to be cared for in the home by their mothers and fathers during their first year, after which time they are enrolled in a childcare facility so that parents can return to work. The government guarantees the availability of public childcare for all children. Flexible working hours also help parents reconcile family and work. Many mothers engage in part-time work while their children are very young. Part-time work in Sweden differs from part-time work in Japan. In Japan, part-time work has always been used to employ housewives cheaply by paying them at a much lower wage rate and offering few benefits (Brinton 1994). In Sweden, in contrast, the same work is performed for the same wages; it is only the mother's work hours that are reduced. It is also easy for employees to transition from part-time work to full-time work (Kenjoh 2005).

Figures 5 and 6 compare the policies adopted in northern Europe and Japan to support working mothers.

Figure 5 compares childcare costs in advanced industrial countries. The ratio of childcare costs relative to the household earnings is calculated for a dual-earner household with the joint earnings of 167% of the average wage. The share tends to be higher overall in English-speaking countries that do not have public childcare centers and lower in Nordic countries that provide affordable public childcare. It should be noted that the costs are low



Source: OECD Family Database online (2011), Chart PF2.1.B.

Figure 6. Spending on Maternity and Parental Leave Payments per Child Born, 2007 (Spending per Birth as a % of GDP per Capita)

even in Portugal and Greece, which do not have public childcare centers. Greece has a low female employment rate, but Portugal has an extremely high ratio of female full-time employment, putting it in line with the other countries of southern Europe. It is interesting to note that in English-speaking countries that have long had even higher childcare costs than Japan, the employment rate of mothers is a great deal higher than in Japan.

Figure 6 compares governmental spending on maternity and parental leave payments per child born in a year as a ratio of GDP per capita. This ratio will be higher in countries that offer higher rates of guaranteed income and have larger numbers of people who take advantage of their leave benefits. Unlike Nordic countries, which provide generous benefits to parents on leave nearing 80% of pre-leave wages, Japan offered no more than 30% until 2010 (with a further 10% after they return to work when their leave has ended). Moreover, in Japan, part-time workers are not eligible for any childcare leave allowance, even though one might legally expect them to be eligible. Ultimately, the childcare leave expenses that are paid remain low when compared internationally. It should be noted that Japan scores even lower than countries such as Italy and Spain—laggards in work-family reconciliation policies.

It is well known that childcare centers for pre-school children alone do not reduce the childcare burden of mothers. There is an important issue of what to do with young schoolage children before and after school hours and during school holidays. Sweden and Denmark are advanced in this area as well. According to data published by the OECD, more than 80% of children in lower grade levels participate in after-school care.³ More than 40%

³ OECD Family Database (2011), Table PF4.3.A. Online data.

participate in the Netherlands, while upwards of 15% to 20% participate in Canada, the UK, Portugal, and Greece. On the other hand, rates of participation in such programs are lower in Germany, Italy, Spain, Japan, and South Korea. In the US, the situation varies widely by school district, and US data is not included in the OECD data. In districts with large numbers of two-income households, before- and after-school programs as well as summer programs are available for a fee.

Nordic countries may seem like something of a utopia for working women, but they, too, still face highly gender segregated labor markets and persistent gendered division of labor. This may be because generously paid childcare leaves lead to more mothers taking time off work, thus solidifying the gendered division of labor. Gendered division of labor means that women have fewer hours available for paid work as they do most of the unpaid work at home. As a result, men's commitment to work, in contrast, appears stronger relative to women's. This perceived or real difference in work commitment might explain why men dominate important management positions in private companies in Nordic countries. This mechanism might also explain the large size of the gender gap among high wage earners in Nordic countries as shown in Figure 2. It is worth noting that Denmark differs from other Nordic countries in Figure 2. Denmark does not demonstrate a large gender wage gap among high earners. Not incidentally, Denmark offers a relatively short fully-paid childcare leave, and children start going to public childneare centers early. As a result, Danish mothers' spend mush less time off work compared to mothers in other Nordic countries.

In light of the persisting gender inequality, the Swedish government has introduced something called "Daddy leave" in order to incentivize fathers to take time off work. Daddy leave is an extra childcare leave for which only fathers are eligible. Unlike regular paid childcare leave, which can be taken by either parent, Daddy leave is only offered to fathers, and cannot be transferred to mothers. It was initially introduced in Norway in 1993, followed by Sweden in 1995. At the beginning, it was a special one-month leave, so the program was called "Daddy Month." In 2002, it was extended to two months. In addition, in 2008, a tax incentive was introduced to encourage both parents to take equal time off for childcare leave (Duvander and Andersson 2005; Sato and Takeishi 2004). In 1990, men accounted for 8.8% of the total childcare leave hours taken nationwide, but by 2007, this figure had risen to 21.8% (Haataja 2009). In Sweden, 80% of the fathers of newborns take childcare leave. Sweden is today a leader in terms of the childcare leave taken by fathers. Nonetheless, most childcare leave is taken by mothers, and there has not been any change in

⁴ Facing a persistent under-representation of women in boardrooms, the Norwegian government adopted a quota system that requires 40% of all corporate boards to be comprised of women in 2006. As a result, while women accounted for 7% of corporate boards in Norway in 2003, by 2008 they accounted for 40%, surpassing even the US which had boasted the highest ratio of women on boards prior up to that time. Unlike in the case of Daddy leave, Sweden has not adopted the Norwegian quota strategy.

⁵ In Norway, which has the next highest percentage of childcare leave hours taken by men behind Sweden, the percentage is 11.4%, while rates in Denmark and Finland are even lower (Haataja 2009).

the division of housework between men and women.⁶

IV. The Scenario in the US: Support for Women Using the "Stick" and the Role of the Market

In the US, obvious forms of employment discrimination against women—such as a "marriage bar"—persisted up until the 1950s (Goldin 1991). The 1964 Civil Rights Act and the 1963 Equal Pay Act, which were established in response to the civil rights movement of the 1960s, provided the legal foundation for the development of anti-discrimination laws at workplace later in the US. Employment discrimination against pregnant women was also prohibited as a violation of their civil rights. The enactment of these laws led to courtroom battles over anti-discrimination cases. The US has a civil procedure known as a class-action lawsuit, the damages from which, if awarded, can be quite costly for the losing defendant. For financial reasons, companies therefore have to be very careful about their legal compliance. This is not to say that companies that engage in subtle forms of discrimination have been completely eliminated. However, since larger companies would potentially be liable for larger financial damages in the event of a class-action suit, large companies have had to adopt personnel policies that enable them to prove that their hiring and promotion decisions are made based on objective criteria rather than discrimination. As has been pointed out by Frank Dobbin (2009), the increasing number of women working in the human resource departments of large US companies have provided a major boost to efforts to reform corporate culture in the US. Aside from the role of the courts, the US government has also played an active role in changing the corporate and organizational culture by means of affirmative action. The US government has ensured that companies and organizations that receive government financial aid increased the number of minorities and women, who have traditionally been subject to discrimination, in various positions, through affirmative action measures (O'Conner, Orloff, and Shaver 1999).

However, strong commitment to anti-discrimination within the workplace still does not solve the issue of work-family reconciliation. In the US, where the government does not provide support for childrearing, how have women been able to move into the workforce while reconciling work and home? How have American women been able to move into management positions to an even greater degree than women in Nordic countries, which are more advanced in terms of the support for working mothers?

 $^{^{6}}$ When husbands take childcare leave, it puts upward pressure on women's wages (Johansson 2010).

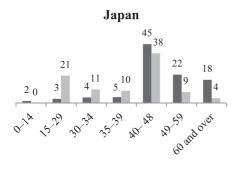
⁷ For example, a recent class-action lawsuit was filed in 2007 by female financial advisors against the financial company Morgan Stanley (Augst-Johnson v. Morgan Stanley & Co). The court ordered Morgan Stanley to pay \$46 million (¥2.88 billion at an exchange rate of ¥80 per \$1) plus the lawyers' fees. This year, however, the US courts dismissed a class-action lawsuit regarding women's discrimination against Walmart, the nation's largest retailer. This may mean that the role of the judicial system is falling back in terms of its ability to help find solutions to the discrimination problem.

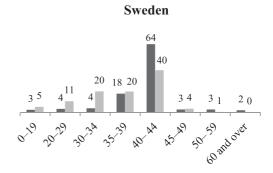
The Wage Gap and Labor Market Fluidity in the US

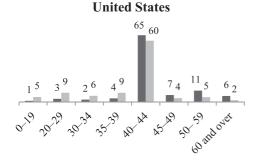
The specific characteristics of the labor market and education system in the US play a role in shaping the opportunity structure for women. First, the US has a high level of wage inequality. Wage inequality is typically associated with greater gender wage gap and poverty. However, there are important gendered effects that have not been emphasized sufficiently. When the wages of highly educated workers are relatively much higher than the wages of unskilled workers, it becomes easier for highly educated women to outsource housework and childcare services.

The ability to outsource housework is a major factor in a woman's ability to succeed in a management or professional position. In countries with high employment rates among married women, the number of hours spent on housework is relatively reduced, but wives still spend more time doing housework than their husbands. Even in Nordic countries, which encourage men to take childcare leave, most of the housework is done by women. The number of hours that married men spend on childrearing has increased in both the US and Europe, but the number of hours spent on housework has not. In other words, there is a persisting gap in the number of hours that can be allocated to paid work between highly educated/highly skilled married women and men. If married women have the option of outsourcing housework, this gap can be narrowed. In Nordic countries, which have an extremely small wage gap and high tax rates, it is difficult for the outsourcing of housework to occur, and this may lead to the persistence of gender gap in time allocation patterns. A comparison of 16 countries I conducted using the International Social Survey Program (ISSP) revealed a positive correlation between the size of the wage gap and the working hours of women. Because this survey contains micro data, it was possible to control for individual attributes, but the same correlation was not found for men (Estévez-Abe and Linos 2004; Estévez-Abe 2010, 2011).

As already seen, in spite of the fact that American women have moved into management and other higher level positions to a greater degree than women in other countries, a large gap remains between men and women in the upper wage bracket. Unlike in Nordic countries, the US government does not offer work-family reconciliation programs that reduce mothers' time off work. What then explains the gender wage gap among high earners? In order to answer this question, we have to take into consideration wage levels by sector. In the US, the non-profit sector constitutes a very important segment of the economy alongside the private for-profit sector and the government sector. In the health services, social services, and education sectors, which employ a lot of women, employment by non-profit organizations (NPOs) accounts for a very large share of employment (Warren 2008). Because non-profit organizations pay less for the same occupations, women's wages get affected. However, working conditions at NPOs are often more favorable to mothers than those at private companies, and thus serve to expand the options available to women.







Note: Horizontal axis indicates eight categories of working hours per week. The light grey column is the ratio of the women who work each number of work hours to the total number of women. The dark column is the same, for men.)

Source: OECD Family Database online (2011), LMF2.1.

Figure 7. Usual Working Hours per Week by Gender in Japan, Sweden and the US (2007)

Figure 7 shows a comparison of the distribution of working hours by gender in Japan, Sweden, and the US. Although working hours in Sweden are shorter overall (for both men and women), a gap between men and women seems to be bigger there than in the US. Among the three countries, the US has the smallest gender gap. This is consistent with the fact that it is easy in the US for women to outsource housework. The narrowing of the gender gap in working hours due to the outsourcing of housework helps enable women to move into professional or management positions that require a commitment to long work hours.⁸ It is interesting to note that over the past several years, governments in northern Europe have adopted policies to enable working women to reduce their housework burden, including such measures as offering a tax deduction for outsourcing household services.

Beyond the wage gap, the US has a much more flexible labor market when compared to Japan and most of European countries. Flexibility makes it possible for a variety of work patterns to emerge. Professional women in the US who have valuable skills may be able to

⁸ In the US, both men and women work very long hours. Whether this is desirable as a work pattern is an important question. However, here we are only discussing this issue from the perspective of differences between men and women.

⁹ Low-skilled workers have little bargaining power because of their strong substitutability, but their bargaining power becomes stronger as they become more highly skilled.

negotiate to work from home to work as freelancers while their children are young. Women who are not as highly skilled may temporarily leave the labor market while their children are young and then return after they have gotten a little older. In occupations that are highly unionized, such as public school teachers, where the effects of seniority on wages and benefits are significant, female workers might have a greater incentive to maintain employment continuity even during child-rearing years. However, in private occupations that are not unionized, the financial penalties for temporarily leaving work and returning later are not that large. The US labor market is very different from the Japanese or Continental Euopean labor markets, where "good jobs" are horded in internal labor markets. In Japan and continental European countries, those who quit to raise children can only be reemployed in the second tier of the job market. Furthermore, because the US social security system for old age pension is designed to be neutral with regard to work pattern, the penalty for interrupting work to raise young children (i.e. reduced pension benefits) is much smaller than in Japan and Continental European countries.¹⁰

Factors that help create gender neutral labor market hence include the neutral design of the social security system, relatively weak internal labor market (i.e. the existence of a sizable external labor market), clear job descriptions when recruiting hiring and promoting workers. The role of graduate schools is also important. In the US, young workers repeatedly change jobs, and take a long time until they settle down into a career. During this time, they not only move between companies, but they may go back to school, enrolling in a professional graduate school program, for example, or enrolling in a master's degree program in a particular field. They may do this to boost their career or to move into an entirely different field altogether. Once they establish a career within a company or within a particular profession, they can also apply for other jobs in external markets to move up the job ladder.

In the US, individual women can fine-tune their work and family lives in consideration of their own preferences and financial situations. Women with a strong professional identity, who define themselves by their work as researchers or lawyers will continue to work during childrearing years by paying high childcare costs. Other women who define themselves more as mothers and less in terms of careers might choose to stay home while their children are young if their husband's income is enough to maintain the family. It cannot be denied that that the system is harsh for women with little education. As they receive low wages and are often single or married to low income men, they cannot take advantage of diverse options available to women with more education and income. However, it is a

¹⁰ Of course, the benefits will be lower for someone who leaves and returns, but the system is not designed in such a way that, as is the case in Japan and Germany, workers must pay their insurance premiums continuously for 40 years in order to receive the full benefit amount.

¹¹ Hakim (2002) argues that there are different types of women, such as career-minded women and strongly family-minded women, and that these differences account for labor participation rates and the desire to remain continuously employed. The criticism against this argument is that it underestimates the fact that the distribution of women's orientations itself is governed by the institutional structure.

system in which highly educated women can build a career over a lifetime unlike in Japan, where even highly educated women find it difficult to build careers.

V. The "Silent Revolution": The Formation of the Professional Identify of Highly Educated Women and the Education System

At the end of the last section I touched upon the concept of "identity." This section dicusses how and when women's identity changes. After a brief discussion of the US experience, I will contrast Japan and Spain as a way of highlighting the difficulties that face Japanese women.

Catherine Hakim (2002) and Claudia Goldin (2006) argue that a woman's self-identity significantly influences her lifelong work patterns. Goldin referred to the trend to-ward the higher education of women that occurred in the US in the 1970s as the "silent revolution" (Goldin 2006; Goldin and Katz 2000). The 1960s are known for the civil rights movement, changes in sexual mores, and the widespread adoption of oral contraceptives. The women of this generation, who gained a way to control their own fertility decisions, began to make different investments in education than previous generations. In this generation and beyond, the rates of female enrolment in professional schools such as medical schools and law schools, began to expand. A new cohort of women thus emerged in the US, who had come to see their career as part of their identity by the time they decided to become mothers. Combined with the anti-discrimination law discussed earlier, the door was opened for these women to join the ranks of professionals and managers, positions that had typically only been occupied by men. To reiterate, these women, unlike the generation before, were the first generation of women to see work as a career, and a career as part of their self-identity.

I have noted earlier that, compared to Japanese women, Spanish women have achieved a much higher social status. This contrast is meaningful because both countries score low on work-family reconciliation policies and both suffer from highly gendered division of labor (both Japanese and Spanish men do very little housework). What factors then explain the Japan-Spain contrast? Just like professional schools in the US offered employment-relevant venues of educational investment, Spanish universities played a role. Spanish universities have traditionally been more specialized in much the same way as professional schools. ¹³ Selecting an undergraduate program is essentially the equivalent of selecting one's future profession. Because of the high level of specialization in undergraduate educa-

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¹² In the US, it was emphasized that undergraduate students should study a wide range of topics and acquire the basic intellectual foundations of knowledge, and that the training of doctors and lawyers would occur at the graduate school level.

¹³ Spain is not an exception in this regard. Many university programs in Europe are more specialized because they do not offer liberal arts education as in US universities. For more on the relationship between the education system and gender, see my manuscript (Estévez-Abe 2006, 2012).

tion, young women who aspire to have a career would select a major that leads to a specific profession such as medicine or law. Under this system, from early on, women who invested in tertiary degrees saw themselves as a "specialist" in a particular field of work. Furthermore, women would choose fields of specialization that would allow them to continue working even after having children. Unlike postwar Japan, where the rate of advancement to high school was extremely high, Spain had a population with a relatively low overall education level, and this made it easy for university-educated women to use their earnings to hire less educated women to do the housework for them. When the supply of low skill native women eventually declined as the overall education level of younger cohorts of Spaniards rose, foreign migrant workers picked up the slack and began to work as maids and baby sitters.

Japanese universities, in contrast, do not play much of a role in shaping the professional identity or careers of young women. Japan adopted the US style liberal education model without supplementing it with the US style post-graduate professional schools. ¹⁴ As a result, outside of a few majors such as medicine and engineering, universities do not provide specialized knowledge and training. The curricula are designed for the purpose of general education. University graduates, therefore, might develop strong loyalty to their alma mater and form their identity as being alums of a particular university but are not likely to acquire any professional or occupational identity. In Japan, it is more common for professional or occupational identify formation to take place within companies. Most young Japanese receive job-relevant skills at work, and will formulate their professional and occupational identities as members of specific corporations.

An important difference between Japan and Spain is that, while young women in Spain can use the education system to actively decide what kind of careers they want to develop, most of young women in Japan end up relying on their employers to define their identities. In societies where gender discrimination exists, the intervention of an employer in one's career development is likely to deter women's advancement rather than help it. (Estévez-Abe, Iversen, and Soskice 2001; Estévez-Abe 2005, 2006).

There are two other important differences between Japan and Spain in factors that affect young women's decision to develop careers. The first difference is that Japan is behind Spain—or any other developed country—in terms of the widespread use of oral contraceptives and other contraceptive methods for women. Thus, a large number of unwanted pregnancies occur in Japan because women have to rely on their male partners' cooperation to prevent unwanted pregnancies (United Nations 2008; Norgren 2001). This is a significant barrier for something like what Goldin referred to as the "silent revolution" to occur. The second difference is that professional women in Spain find it much easier to outsource unpaid domestic tasks than Japanese professional women do. In addition to differences in the supply of low skill labor, the wage structure based on seniority narrows the wage gap be-

¹⁴ Japan introduced the US style law schools in 2004.

tween high skill women and low skill workers in Japan. For this reason, the outsourcing of housework and childcare is relatively expensive and difficult in Japan. Japan has not had a situation like that in Spain, where women who have acquired a professional position upon graduating from college have found it easy to purchase housework and childcare services from less educated women.

VI. The Future for Japanese Women

The preceding sections have shown that there are multiple paths to gender equality. Aside from work-family reconciliation policies, factors such as the enforcement of anti-discrimination law, the nature of education systems and the diffusion of contraceptive pills matter. Japan does not only lag in the development of work-family reconciliation policies but it also lacks all the other factors that promote gender equality. Japan's anti-discrimination law has not been very effective. Nothing like class-action lawsuits or affirmative action exists in Japan. The educational system does not serve as a venue for young women to overcome some of employer discrimination by building stronger resumes. Moreover, the labor market is such that outsourcing of unpaid domestic tasks is difficult. Contraceptive options are limited too. As a result, once married, young women lose control over their bodies and become burdened with domestic chores.

The contrast between Japan and Spain is particularly illuminating. Spain, like Japan, scores very low when it comes to work-family reconciliation policies. Spain, however, is endowed with other conditions that are favorable to educated women while Japan is not. As a result, educated Spanish women have been able to advance into high status occupations to a much greater degree than Japanese women.

The identities of Japanese women are just starting to change. In the US, a wave of female advancement into graduate schools began to occur in the 1970s, but in Japan, the change came much later. Traditionally, Japanese young women (and their families) used to prefer two-year junior colleges to four-year universities. Although the number of women enrolling in four-year universities began to increase in the mid-1980s, it was only in 1996 that the number of women enrolled in four-year universities surpassed that of two-year colleges. It should be noted that the enactment of the Equal Opportunity Act coincided with the rise of female enrollment in four-year universities in the mid-1980s. It was around this time that large Japanese enterprises began hiring female graduates of four-year universities into full-time career-track positions. Clearly, witnessing the changes in the labor market affected the educational investment decisions of the cohorts of women that followed. In 1997, a reversal occurred in the number of male breadwinner households, in which the husband works and the woman stays at home, and the number of dual-earner households (Cabinet Office 2010).

However, changes in Japan are very modest compared to the scope of transformation other advanced industrial societies have already gone through. In Japan, even today many

female college graduates exit the labor market when they have children (Hirao 2001, 2010; Higuchi and Iwata 1999; Wakisaka and Tomita 2001). With the social advancement of Japanese women about 30 to 40 years behind the US, what can be done to improve the situation? As already pointed out, Japanese companies play a particularly strong role in occupational training. This means that any discrimination that is present at the workplace today affects the human capital development of the next generation of women. In order to increase the number of women in the "pipeline" capable to assuming leadership positions in the private sector in the future, the government has to play a much more active role—by offering both carrots and sticks. The Japanese government has been lukewarm when it comes to promoting gender equality. Neither has it improved the work-family reconciliation package to the meaningful level nor has it strengthened its monitoring and punishment of discriminatory practices. Nothing like class-action lawsuits or affirmative action exists in Japan. Japan's anti-discrimination law has not been very effective because the government itself has never whole-heartedly endorsed gender equality or even tried to solve the problem of declining fertility.

Dramatic improvements in gender equality and family-work reconciliation are only possible when the government makes an unambiguous commitment. The Swedish and American experience has shown that the governmental policies can mold the society in a particular direction. This paper has shown that, while there are multiple paths to the integration of women into the labor force, the governmental commitment has been a key "transformative" factor. This means that the Japanese government either has to dramatically expand cash benefits for childcare leaves and public childcare services, subsidize private childcare and other domestic services, or implement more stringent equality policies including affirmative action and quotas.

Given Japan's financial situation, which has only worsened since the Great East Japan Earthquake, it might be difficult to expand public childcare center services or increase the level of wage replacement benefits during childcare leave. Japan should, however, seriously consider policies that incur little fiscal burden such as affirmative action and quotas. Reforming tax and social insurance systems in order to enhance labor market neutrality would be another area where changes can be introduced without any fiscal burden.

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