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Eventrapport:

Womenomics: Unlocking Japan's Hidden Potential

Som en del av Tillväxtanalys löpande omvärldsbevakning inom teknisk utveckling följer här anteckningar från Kathy Matsuis föredrag om Womenomics som hölls av For Empowering Women in Japan (FEW) på Wesley Center i Tokyo, 10 maj, 2012. Eventrapporten ger en överblick av Kathy Matsuis presentation av womenomics, och hur Japan kan nyttja den kvinnliga arbetskraften mer effektivt. Kathy Matsui är Managing Director, Chief Japan Strategist, och Co-Head of Asia Economics, Commodities and Strategy Research på Goldman Sachs i Tokyo, Japan.

Eventrapporten är skriven av praktikant Amalia Nilsson, som kan kontaktas på amalia.nilsson@growthanalysis.se.

För fler nyheter från Tillväxtanalys utlandsverksamhet hänvisas till vår hemsida: www.tillvaxtanalys.se/globalutblick. Där kan man även skriva upp sig för att få dem direkt per epost.

Womenomics

Kathy Matsui explains that Japan has an aging, shrinking population, which in turn means a decreasing workforce. As a strategist at Goldman Sachs she proposed three possible solutions for Japan to sustain economic growth despite a shrinking workforce: increase the birthrate, permit more immigration and increase the female participation rate in the workforce. Matsui argues that the first two solutions are unlikely in Japan and that increasing the female participation rate is the only viable option in the near future. Currently the percentage of Japanese women working has reached an all-time high of 60%, yet this still ranks Japan below most developed countries and especially Sweden which has a female participation rate of close to 80%.

Japan has an unique M-Curve that shows that women leave the labor force between their mid 20s to their mid 40s in order to take care of their children. Other developed countries do not demonstrate such a drop, instead the labor force remains fairly consistent from the mid 20s until the age of retirement. This phenomenon troubles Matsui because it tends to be the peak time of people's careers and Japanese women are not present.

Only 1/3 of women in Japan with children under the age of six work as opposed to close to 80% in Scandinavian countries, Sweden included. A reason mentioned for the low percentage of Japanese mothers working is inadequate childcare. Some measures have been taken in Japan to improve childcare, but only around 28% of

Japanese children under the age of three are in childcare as opposed to close to 45% of Swedish children and over 60% of Danish children. Childcare at home and division of household chores were also discussed. On average, Japanese men spend an hour on childcare and household chores combined per day, with only about 15 minutes being on childcare. In Sweden, men on average spend just over an hour on childcare and about two hours on household chores per day.

There are too few women role models according to Matsui. The ratio between men and women tend to be around 50/50 at the time of recruitment, but this ratio becomes significantly more unbalanced at the management level. Despite equal opportunity laws being implemented, Japanese women only earn about 68% that of the male counterparts. Gender gaps are not limited to Japan, they exist everywhere but in countries like France, the UK and the US the ratio is above 80% and is at 89% in Sweden.

In terms of impact on profitability and the economy, Matsui argues that diversity oriented companies in 57% of the cases outperform companies that have not adopted explicit measure to increase diversity. In this case diversity is not limited to gender diversity, it includes various types of diversity. She also argues that Japan's GDP has the potential to increase by 15% if the work rate of women (currently at around 60%) matched that of Japanese men (around 80%).

A common counter argument that Matsui encounters is that increasing the female participation rate would reduce the already low birthrate in Japan. However, she suggests that this is not empirically supported. Both international and regional data within Japan show a positive correlation between labor participation rates and fertility rates. In Japan, the labor participation rate is around 65% and the fertility rate is approx. 1.3. The US has a labor participation rate of around 70% and a fertility rate close to 2.2 and Sweden has a participation rate of approx. 75% and a fertility rate close to 1.6.

In terms of what to do to improve the situation, Matsui emphasizes that it is important to change the mindset and that it is helpful if someone at the management level "gets it". It is also important to not frame it as a women's only issue because flexible work time is likely to benefit men as well. Less people are getting married in Japan, which means that there are more single men and women. The single men are likely to have to help take care of their parents as they get older, which is when flexible time will benefit them as well, and not just women.

Matsui mentions the Norwegian law passed in 2004 that mandates that 40% of a company board has to consist of women. She argues that this is not a long term solution but that favorable or affirmative action can be helpful to initiate the change. The initial reaction to the law was that there would not be enough qualified women to make up the mandatory 40%. However, over time it became evident that there were qualified women suitable for the positions that just needed to be recognized.

Overall Matsui's womenomics aim to provide a solution for Japan's shrinking work force. Sweden ranks high on most of the measures Matsui references and has

a high women labor participation rate and high rates of children in daycare. The potential increase in GDP may sound tempting in the midst of global economic downturns.

For more information on Kathy Matsui and Womenomics please see:

- <http://tedxtalks.ted.com/video/TEDxTokyo-Kathy-Matsui-Womenomi;search%3AKathy%20Matsui>
- <http://www.goldmansachs.com/our-thinking/women-and-economics/bios/kathy-matsui-bio.pdf>
- <http://www.goldmansachs.com/our-thinking/women-and-economics/womenomics-japans-hidden-asset.html>