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The “typical” Japanese employment system and women in the late 1990s
～ How were female employees were excluded from the system? ～

Junko HARADA[1)]

1990年代後半における日本的雇用システムと女性
～女性雇用者はどのようにシステムから除外されていたか～

原　田　順　子[1)]

ABSTRACT

This paper addresses the characteristics of Japanese female employees in the late 1990s, and analyses the background. Long tenure and steep upward age-wage profiles are distinctive characteristics of Japan. However, these are characteristics of Japanese men, not women. There are a wide gender gap in a number of aspects in the Japanese labour market. These differences are closely related to women's life cycle of work with long maternal leave during child rearing. In addition, women were previously excluded from the managerial track and tend to remain in the bottom strata in firms. These circumstances have slightly changed due to the Equal Employment Opportunity Act（1987）, but substantial improvement did not appear in the late 1990s yet. Moreover, traditional gender roles perpetuated over generations through the aspiration for education.

要　旨

本論文は1990年代後半における日本の女性雇用者の特徴を述べ、その背景を分析するものである。長期雇用と右肩上がりの賃金カーブは日本の明確な特徴である。しかしながら、これらの特徴は日本の男性に当てはまるが女性には当てはまらない。これらの差異は育児のための長期休業が織り込み済みの女性のライフサイクルと密接に関連している。さらに言うと、女性は元々管理職候補のラインから外されており、企業組織の下層に留まる傾向がある。こうした状況は男女雇用機会均等法（1987年）によりわずかに変化したが、1990年代後半にはまだ十分な改善はみられなかった。加えて、伝統的な性別役割は教育の志望目標の点で世代を超えて強化されていた。

1 Introduction

It is often claimed that the main features of Japanese personnel practices are lifetime employment, promotion and reward systems based on seniority and service, substantial fringe benefits, long working hours, and recruitment and selection significantly focused on fitting in with company values and norms（see, for example, Martin, 1998, p. 499）. Harada（2016）addresses on the implications of upward sloping age-wage profiles and long-term employment system.

However, are Japanese employees homogeneous in relation to upward age-wage profiles and long-term employment system? Employees comprise the great majority of the total work force nowadays, forming 82 % of the work force in 1998（Economic Planning Agency, Japan, 1999）. The proportion of employees was only 47% in 1956, but this subsequently rose sharply（1960：54%, 1970：65%, 1980：72% and 1990：78%）, as numbers of self-employed workers and family workers dramatically decreased. These changes in labour force status were aligned with climactic changes in industrial structure during the

[1)] 放送大学教授（「社会と産業」コース）

post-war period. Since civil servants represent only 3.3% of the total labour force (Management and Coordination Agency of Japan, 1999), employees in the private sector are the dominant group in today's Japan (Civil servants are paid and promoted according to formulae set by law, and hence they are excluded from our analysis.).

It has often been, however, noted that the allegedly typical characteristics of Japanese personnel practices are not seen in all Japanese firms (Martin, 1998). There are a great many private firms and employees in Japan, and there is no doubt that they have a wide range of personnel practices. It is meaningful to consider how wide the extent of inclusion in the so-called "typical" Japanese employment system is?

Koike (1988) observed that upward age-wage profiles and long-term employment are also to be found among white-collar workers in major western economies. He states that the peculiar feature of Japanese firms is that blue-collar workers are similar to white-collar workers in these respects. In other words, there is little differentiation on these aspects by job-track in Japanese firms. In addition, it should be examined other criteria. What types of employees are in the system? This paper discusses the exclusion of women and then describe the key features of female workforce in the late 1990s in Japan.

2 The gender gap in Japanese employment

As noted above, in Japan employees comprise the great majority of the work force. Before discussing employees and firms, it is, however, also necessary to look at the overall work force in the labour market. Does Japan have any particular characteristics in this respect? This section compares workforce indicators of Japan to those of the United States of America, the United Kingdom, France and Germany to highlight certain characteristics of the Japanese labour market. In addition, it considers the background to the Japanese characteristics.

As Table 1 shows, the unemployment rate in Japan in 1996 was 3.4% being the lowest in these countries, and one third of the rate in France (12.1%). Many factors determine the unemployment rate. For example, governmental regulations about layoffs, social security and labour customs should be taken into account in discussing the unemployment rate. However, a low unemployment rate tends to be linked to good economic performance and stable industrial relations, and Japan had a relatively stable industrial relations system among advanced countries.

The employment/population ratio is the proportion of employment among the working age (15-64 years old) population. The labour force participation rate is the proportion of employment and involuntary unemployment among the working age population. The difference in employment/population ratio and labour force participation rate arises from whether involuntary unemployment is taken into account. The USA had the highest proportions (75% and 79.3%, respectively) in both in 1996. In contrast, France had the lowest proportions (59.6% and 67.8%). Japan also had relatively high proportions and was closer to Anglo-Saxon countries (USA and UK) than to countries in continental Europe (Table 1[2]). Although Japan had a higher employment/population ratio than the UK, their labour force participation rates were equal. This is because Japan had less involuntary unemployment than the UK.

Table 1 Employment/population ratios, labour force participation and unemployment rates, 1996

Both genders, percentages

	Employment/ population ratio (a)	Labour force participation rate (b)	Unemployment rate (c)
Japan	74.6	77.3	3.4
USA	75.0	79.3	5.4
UK	71.0	77.3	8.2
France	59.6	67.8	12.1
Germany	64.0	70.3	9.0

Note : a = employment/working age (15-64 years old) population/100
b = (employment + involuntary unemployment) / (working age population) /100
c = (involuntary unemployment) / (employment + involuntary unemployment) /100
Source : OECD (1997) pp.163-165

Table 2 shows the same indicators by gender. It is noteworthy that Japanese men showed the highest labour participation ratio (91.6%) of the five countries in 1996. In addition, Japanese women's labour force participation was the third highest, but it was higher

[2] The percentages of labour force participation rate in Table 1 are significantly higher than those contained in Brinton (1989). This is caused by different definitions. Brinton's definition was :
(total number of women in the labour force/total female population aged 15 and above)/100

(62.8%) than France (60.7%) and Germany (60.4%). Therefore, the presence of women in the Japanese labour market is not small, compared with other major economies.

Table 2 Employment/population ratios, labour force participation and unemployment rates, 1996 (by gender)

By gender, percentages

	Employment/ population ratio (a)		Labour force participation rate (b)		Unemployment rate (c)	
	Men	Women	Men	Women	Men	Women
Japan	88.5	60.7	91.6	62.8	3.4	3.4
USA	82.3	68.1	87.0	72.0	5.4	5.4
UK	77.7	64.1	86.1	68.4	9.7	6.3
France	67.2	52.1	75.0	60.7	10.4	14.2
Germany	73.4	54.3	79.9	60.4	8.1	10.2

Note : a = employment/working age (15-64 years old) population
b = (employment + involuntary unemployment) / (working age population)
c = (involuntary unemployment) / (employment + involuntary unemployment)
Source : OECD (1997) pp.163-165

The gap between the genders in Japan requires comment. The labour force participation rate of Japanese men (91.6%) and women (62.8%) differed by 28.8% in 1996. Although these differences exist in other countries as well, it was the widest in Japan. The next widest was in Germany (19.5%). Moreover, the unemployment rate in Japan was equal for both genders. Nevertheless, the gender gap of employment/population ratio in Japan was 27.8% being the greatest among the five countries. This means that the voluntary unemployment rate in Japan was significantly different between the genders, and Japanese women had much higher voluntary unemployment ratios than that of Japanese men. Why do Japanese women tend to stay outside the labour market? The next section considers this question.

3 Women's life cycles of work

The wide gender gap in the Japanese labour market is explained mainly by different life cycles of work by the genders. Women's employment/population ratio is considerably lower than that of men (men : 88.5% , women : 60.7% in 1996). Therefore, approximately 40 % of women were not in the labour market in 1996 and they were voluntary unemployed over all age groups. This results from the phenomenon that women generally leave the labour market for a certain period. The voluntary unemployment ratio is particularly high in the early thirties age group ; the labour force participation rate dramatically falls in this period (see Figure 1). The rate recovers at 40-54 years old, but subsequently decreases again. Thus, women's profiles resemble the shape of the letter "M", and in Japan this phenomena is named "women's M shape of labour participation ratio". As Figure 1 illustrates, this is not seen among men. Most men continue to work after schooling until their retirement. Therefore, Japanese men and women have very different life cycles of work.

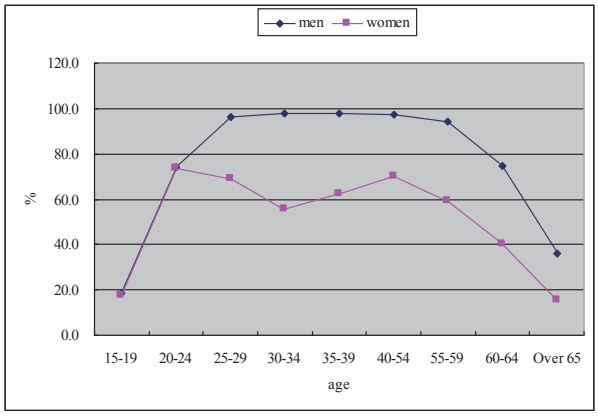


Figure 1 Labour force participation rate by age, 1998

Note : labour force participation rate = (employment + involuntary unemployment) / (population aged 15 and over)
Source : Ministry of Labour, Japan (1999) , pp.446-447

3.1 Tenure and age-wage profiles

Women's M shape work profiles lead to short tenure, because careers are interrupted in their late twenties and early thirties. Subsequent to this period, most women come back to the labour market, as Figure 1 shows. However, due to such a long suspension from work, women's tenures cannot be as long as men's tenure.

Women's work pattern is rooted in the traditional gender role believing that mothers have great responsibility for child rearing (Brinton 1993 ; Hendry 1993 ; Omori 1993). Japanese women tend to think that they must stay at home at least while their children are very young. This tendency though has gradually weakened (Brinton, 1993). As shown in Figure 1, the clear "M shape" of women's labour participation rate still remains, and suggests that many Japanese women still have a traditional approach regarding child rearing and family responsibilities. As we will see below, this pattern is also reinforced by employers' pressure.

The differences in labour force participation rate by gender affect tenure. In international comparisons, Japan had the longest tenure (11.3 years) of five countries in 1995 (Table 3). France had the second longest tenure ; the US had the shortest tenure. In Anglo-Saxon countries, namely, the US and the UK, average tenure was relatively short. In all the countries, women's tenure was shorter than men's tenure. It is notable that this difference is the clearest in Japan again. While Japanese men's tenure was the longest, Japanese women's tenure was shorter than those of France and Germany. Thus, Japan had the widest gender gap in this respect. It is noteworthy that Japan's overall long tenure is based on very long tenure for Japanese men, compared to relatively short tenure for women. (The average tenure is determined by the tenure of people in the labour market, and Japanese women's tenure effect is limited because many are voluntarily out of the labour market. In other words, the overall average Japanese tenure is greatly affected by men's tenure.)

Table 3 Average employee tenure by gender and age, 1995

Years

	Total	By gender		By age		
		Men	Women	15-24 years	25-44 years	45 or more years
Japan	11.3	12.9	7.9	2.5	9.5	18.0
USA	7.4	7.9	6.8	1.6	6.2	12.4
UK	7.8	8.9	6.7	2.2	7.0	12.2
France	10.7	11.0	10.3	1.6	9.0	17.5
Germany	9.7	10.6	8.5	2.4	7.7	16.2

Source : OECD (1997) p.139

Next, as shown in Table 4, wages and tenure by age and gender in Japan. The table shows significant differences of job tenure and age-wage profiles by gender. Despite women's short tenure and rather flat age-wage profiles, the average tenure of all Japanese workers is long and the average age-wage profile is steeply upward sloping. However, because Japanese women's employment-population ratio is significantly lower than that of Japanese men (Table 2), the influence of the women's rates on the overall rate is linked.

Table 4 Wages and tenure by gender and age, 1997

Ages (Years old)	Women's wages (a) (1,000 yen)	Women's tenure (years)	Men's wages (b) (1,000 yen)	Men's tenure (years)	(a) / (b) *100%
<17	133.4	1.2	149.5	1.1	89.2
18-19	163.3	1.0	190.6	1.0	85.7
20-24	192.5	2.8	229.0	2.8	84.1
25-29	223.1	5.4	282.2	5.2	79.1
30-34	240.2	7.8	339.5	8.6	70.8
35-39	247.0	9.4	383.1	11.9	64.5
40-44	240.6	10.7	416.8	15.9	57.7
45-49	237.2	11.7	445.0	19.5	53.3
50-54	235.2	13.4	460.0	22.6	51.1
55-59	223.2	14.8	421.3	22.1	53.0
60-64	206.9	13.7	314.8	13.4	65.7
65+	205.8	16.2	278.0	12.6	74.0
Average	221.3	8.2	366.1	13.1	60.4

Note : Wages are scheduled cash earnings of employees including part-timers of firms with 5 employees or more.
Source : Ministry of Labour, Japan (1998b)

Women's average tenure was 8 years compared to men's average tenure of 13 years in 1997 (Table 4). Both genders had the same tenure until 24 years old but subsequently the difference gradually increased. Women's average wages slightly increased until 35-39 years old and then started to fall. Although it is often considered that upward age-wage profiles are typical in Japan, these features clearly do not apply to Japanese women at all. On the contrary, women's wages show a rather flat age-wage profile from their thirties, and even decrease from 45 years old. It is often suggested that women frequently quit jobs, and their skills do not make substantial progress over time. In fact, nearly a half of the female work force are part-timers, not standard workers. There is mandatory retirement in the great majority of firms (95% of all firms[3]) at 60 years old (82% of firms which have mandatory retirement). Because most men are standard employees, they have to retire at 60 years old. Therefore, as Table 4 illustrates, men's tenure drops sharply after 60 years old. In contrast, many women are part-time workers, and their tenure is not significantly affected by mandatory retirement.

Accordingly, women's short tenure and rather flat age-wage profiles stem from : (1) low labour force participation rate with a deep decline during their child rearing period and (2) the high ratio of part

[3] Ministry of Labour, Japan, researched in 1997.

timers among women.

3.2 High proportion of part-time workers among women

As Table 5 shows, the proportion of part-timers among female employees is high (45%) in 1999. In particular, the figures show a rise to more than 50% at 35 years or older. Omori (1993) claims that female part-timers consist mainly of housewives. In Table 5, the proportion of women part-timers rises dramatically from 31.7% at 25-34 to 51.8% at 35-44 years old. In Japan, it is common that women become housewives during child rearing, and subsequently return to the labour market as part-timers. Part-timers are regarded as cheap and temporary workers (Omori, 1993). Therefore, they are excluded from the internal labour market, training and promotion. Hence, the high proportion of part-timers in women's employment leads to their short tenure and rather flat age-wage profiles. Clearly, women are a peripheral work force in the labour market.

Table 5 Proportions of part-timers in employment by age and gender, 1999

Percentages

	Total	By age					
		15-24	25-34	35-44	45-54	55-64	65+
All	24.8	20.5	16.0	21.7	23.6	30.6	54.9
Men	11.0	16.1	6.3	2.6	2.9	18.3	54.1
Women	45.0	25.6	31.7	51.8	52.3	51.0	56.8

Note : The age group 15-24 years excludes students.
These statistics exclude agriculture and forestry.
Part-timers' proportion = (non-regular workers) / (employment)
Employment excludes directors (*yakuin*).
Source : Management Coordination Agency of Japan (1999)

From the housewives' points of view, part-time work is flexible in terms of time and it is convenient for family responsibilities. Moreover, housewives do not want to lose tax and social security benefits for themselves as dependent spouses by being full-time workers (Omori, 1993). In Japan, households with housewives have benefits in terms of income tax and social security payments, and also spouse allowances are added to their husbands' earnings. The definition of a housewife is that her annual income is less than 130 thousand yen, and normal full-time workers earn more than this. Therefore, when housewives start to work, they compare gains and losses, namely, expected income from full-time work compared with social benefits and time for family responsibilities. In 1997, the average annual income of female part-timers was 126 thousand yen, just less than the criteria to be reached to be defined as full-time workers (Ministry of Labour, Japan, 1998a). Consequently, it is assumed that many women choose part-time work, so as not to lose their benefits as housewives. These benefits were originally created to help households, but today there is a possibility that the benefits prevent housewives from re-entering the labour market as full-time workers.

Furthermore, Table 5 demonstrates an interesting fact regarding men's lifecycle of work. The proportion of part-timers among male employees is extremely low (2.6% or 2.9%) between 35-54 years old in these figures, namely, until mandatory retirement age (normally 60 years old). Male part-time workers consist of the very young, who shop around for jobs, and the elderly. Since those between 25-34 years old show a very low (6.3%) ratio of part-timers, this suggests that normal working age men, who are between 25-54 years old, rarely work as part-timers. Normal Japanese men are standard workers who have full-time jobs, and this is also a reflection of a traditional male gender role. Therefore, traditional gender roles of both genders are clearly observed in the Japanese labour market.

However, it is interesting that the gender characteristics of part-time workers are not observed unless they are analysed by age. Table 6 shows the proportions of part-time employees in total employment in 1996. The proportions of all categories were relatively high in the United Kingdom and Japan, and the lowest in France. Women's share in part-time employment was the highest in the UK and the lowest in the US. The UK had many part-time employees in total employment, however most of the part-timers were women. Therefore, men's proportion of part-time employment in the UK was only 5.6 per cent in 1996. In contrast, Japanese men's proportion of part-time employment was the highest. The gender gap appears the widest in the UK, not in Japan. But, these proportions do not represent the key characteristics of Japanese part-timers, because the overall proportion of male part-timers in Japan is increased by the large proportion of part timers who have retired and the young who are less than 25 years old (Table 5).

Table 6 Incidence and composition of part-time employment, 1996

Percentages

	Men and Women Part-time employees in all employment	Women's share in part-time employment
Japan	21.4	68.0
USA	18.3	67.9
UK	22.1	86.0
France	16.0	81.7
Germany	……	……
	Part-time employees as a proportion of all employment	
	Men	Women
Japan	11.5	36.0
USA	10.9	26.9
UK	5.6	42.7
France	5.3	29.5
Germany	……	……

Source：OECD（1997）p.177

There is, therefore, a wide gender gap in Japan regarding part-timers. Clearly, part-time employees differ from full-time employees in many respects. Japanese women comprise a high proportion of part-timers with short tenure, and rather flat age-wage profiles. All these characteristics lead to women's low status at work. In addition, this creates a vicious circle of a traditional gender role for women. The next section will discuss the background to these points.

4 Vicious circle of women's low status at work and low educational qualifications

Women are disadvantaged by short tenure and the high proportion of female part-timers. In particular, Japanese firms are well known for providing substantial on-the-job training and emphasising the importance of firm-specific skills. Therefore, the majority of women, who often quit and work as part-timers, tend to be at the bottom levels of firms. According to the Ministry of Labour, Japan（1998b), female employees'（all employees, including part-timers）earnings were only 60.4% of male employees' earnings in 1997（Table 4). As the table shows, the wage differentials between the genders increase gradually in relation to age and tenure. Among employees under 17 years old, the average wage of women was 89.2% of men, but it steadily fell to 51.1% at 50-54 years old. Therefore, women employees' disadvantages accumulate in relation to age.

Women also tend to be concentrated in small firms rather than large ones. The proportion of female employees to male employees（including part-timers）was 18.8% in large firms[4], 27.9% in medium sized firms and 48.3% in small firms（Ministry of Labour, Japan, 1996）. Firm size is closely related to working conditions, such as salaries and fringe benefits. Therefore, this is also one of the reasons for women's low income.

It is claimed that many women take a mother's role very seriously and quit jobs for child rearing（Brinton 1993；Hendry 1993；Omori 1993). This life cycle of work and the high proportion of part-timers are some of the reasons for rather flat age-wage profiles and short tenure. However, apart from the effects of a traditional gender role, are there other reasons that Japanese women leave the labour market for a certain period and subsequently work as part-timers? Are there structural pressures to exclude women from becoming standard workers? Why are women not keen to be standard workers?

4.1 Discrimination against women before the Equal Employment Opportunity Act in 1985

There has been significant discrimination against women in both selection and promotion, which has caused serious damage to women's careers. The recruitment of new graduates from schools and universities is the most important source of recruitment for the majority of Japanese firms, especially large firms, because internal promotion is preferred. In general, future executives are supposed to be selected from within. In addition, workers in small and medium sized firms rarely move to large firms with better working conditions, and job changing rarely means a career step up. Hence, the first job just after graduation is very important, and discrimination at selection damages employees' entire careers.

The selection of new graduates is an important annual event and firms advertise what kind of, and how many, people they seek. The advertisements used to oppress women as follows. In 1984, the Ministry of Labour carried out a statistical survey of 4,800 private firms with 30 employees or more（Shukan Roudou

[4] Large firms：1000 employees or more
Medium firms：300-999 employees
Small firms：5-299 employees

News, 1985). According to the survey, two thirds of advertisements for university graduates, who were expected to be managers in future, were clearly stated to be positions for men only[5]. These firms wanted to place women at the lower levels of the hierarchy only. Despite the same educational qualifications, female university graduates were not provided even with opportunities for interview by these companies.

If a lucky female university graduate could obtain a job, her future was still not hopeful. Half of the companies which recruited both male and female university graduates did not give equal opportunities to female university graduates regarding job-track, promotion and on-the-job training. In Japanese companies, job rotation is important to learn many aspects of the business and such posts often connect to the next promotion. Therefore, the lack of job rotation seriously damages women's careers. In addition, 63% of firms said that there were jobs which had never been assigned to women. Hence, there was structural discrimination against women. In general, women did not have opportunities to be managers. Moreover, they were not provided with sufficient on-the-job training through posts and job rotation, and therefore tended to remain at the bottom level in firms.

Women were discriminated against from the very beginning of their careers, and their career prospects were not as attractive as those of men. It is conceivable that these circumstances encouraged women's short tenure. When women employees married, it is understandable that they might prefer family to difficult and discouraged responsibilities, and lack of career.

Firms have argued that it is risky to rely on women because they quit within a few years (Ministry of Labour, Japan, 1995). The firms claim that they cannot afford to invest in developing the skills of women who quit after a short period. From their point of view, on-the-job training is a long-term investment in human capital, and its return is not earned within a few years. As a result, women receive less training than men and remain in the low strata of firms. It is important to recall that Japanese men have significantly longer tenure by international standards, but women do not (Table 3). As a result, firms absolutely prefer men to women, especially for the managerial track, which needs substantial training in the long term.

This argument, however, is based on the assumption that women quit firms within a few years. There must be some women who intend to work for the long term. However, they are ignored and treated as typical women : firms label all women just "a woman". Firms explain that it is difficult to predict which women will continue to work for the long term, and it is safer for them not to invest in women at all. As far as the aim of firms is profit maximisation, they do not want to invest in women employees. Akerlof (1970) argued that, when there is uncertainty of quality in a group, to avoid the group altogether is profit maximising. On average, women quit jobs more often than men do, and thus women might quit before firms receive the return on their investment (training). In particular, the management track is the most important human resource for firms, and managers are developed in the long term. Therefore, it is rational in these terms to exclude women from selection for managerial tracks and internal promotion, in respect of cost-benefit analysis. Consequently, it is not to be expected that firms will change the status quo without external pressures. In fact, women's status in firms had not changed for a long period. The Equal Employment Opportunity Act in 1986 then affected the Japanese labour market, and the act is seen as a benchmark for subsequent changes of women's status in Japan.

4.2 The Equal Employment Opportunity Act

The Equal Employment Opportunity Act (EEO Act) was enacted by Parliament in 1985 and came into force in April 1986. It aims to reduce discrimination against women in terms of employment. In addition, there were two reasons to introduce the Act (Lam 1993 ; Omori 1993). First, it aimed to increase women's labour participation rate, due to the labour shortage in the 1980s and expected future-labour-shortage resulting from an ageing population. Secondly, Japan was under increasing pressure from the international community. The International Women's Year (1975) and the United Nations Decade for Women (1976-85) affected Japan greatly. In order to ratify the Convention on the Elimination of All Forms of Discrimination against Women, the EEO Act was necessary for Japan.

The main provisions of the EEO Act are as follows (Shukan Roudou News, 1985b) :

(1) The law suggests that firms make efforts to provide equal opportunities for both genders regard-

[5] An Equal Employment Opportunity Act in 1999 prohibits discrimination in advertisements.

ing recruitment, employment, job positions and promotions.
(2) Different treatment between men and women is prohibited concerning training and fringe benefits : mandatory retirement ; retirement : and dismissal.
(3) To settle disputes, every local government establishes a Committee of Equal Opportunity.
(4) The Labour Law had determined the limit of women's overtime and holiday work as an aspect of protective legislation. Because this was one of the reasons that firms preferred male workers, these rules were abandoned as far as managerial and professional jobs were concerned, and relaxed for the service industry.
(5) In addition, the restrictions on night work by female workers were also lifted for workers whom it is necessary to conduct business at night due to the nature of their work, professionals and managers.

The law was criticised by labour and women's organisations as inadequate. Due to these problems, the EEO Act was not effectively enforced (Lam, 1993). Moreover, labour and women's organisations were concerned that points (4) and (5) would just worsen women's working conditions. They urged the government to strengthen the reforms. However the government refused to change it greatly. The EEO Act was partly modified to add the statements that : "under the principle of the Constitution which supports equality under the laws"…"it would be revised if necessary" (Shukan Roudou News, 1985).

In 1987 the Ministry of Labour examined the impact of the EEO Act regarding employment practices (Shukan Roudou News, 1985). The survey was conducted over 1,129 listed companies on the first-class stock markets of Tokyo, Osaka and Nagoya, and there were 668 respondents. Job advertisements for "men only" had dramatically decreased from 41% in 1986 to 11% in 1987. Instead, advertisements for both genders increased from 36% in 1986 to 79% in 1987. In particular, the advertisements for university graduates of both genders increased dramatically as follows :

-University graduates on science courses : 49% of firms (1986) to 89% (1987)

-University graduates on other courses : 28% of firms (1986) to 82% (1987)

Therefore, there were some cosmetic improvements due to the EEO Act. However, due to the lack of provision for penalties, women's status did not change substantially.

Ten years after the EEO Act was enacted, the Ministry of Labour carried out further statistical and opinion surveys on women's employment (Shukan Roudou News, 1996). The survey was conducted on 7,000 firms with more than 30 regular employees in October 1995, and 78.9% firms responded.

Due to the EEO Act, the career-tracking system has grown to be common among large Japanese firms. This is a new personnel system in which employees are divided into job tracks when they are recruited. In general, white-collar workers are divided into other managerial track (*sogo shoku*) or non-managerial track (*ippan shoku*). Kameyama (1995) argued that the traditional men's track and women's track have just been re-named. However, due to the career-tracking system, a few selected women obtained opportunities to be managers. Thus, his statement is not entirely accurate. Yet, as he noted, it is a problem that only a few women benefit from the new system. In this regard, equal opportunity was not been achieved yet in the late 1990s.

In all firms, the career-tracking system slightly increased from 3.8% in 1992 to 4.7% in 1995. Yet, in large firms with 5,000 employees and more, 52% have the system in 1995. In these firms with the career-tracking system, 78.5% of firms advertised the managerial track for both genders. However, only 27.5% took both genders in practice, although there is no evidence that they recruited the same number of men and women. The rest of firms (72.5%) took only men for the managerial track despite their advertisements. On the other hand, 63.3% of advertisements for the non-managerial track were still limited to women.

As a result, there were very few female managers in the late 1990s. According to the statistical survey by the Ministry of Labour[6], female managers was a small minority among all managers. Female directors (*bucho*), senior managers (*kacho*) and managers (*kakaricho*) comprised 1.2%, 2.4% and 7.8% only. Moreover, 7.1% of firms had female directors (*bucho*). 20.1% of firms had female senior managers

[6] It carried out a statistical survey of over 7,200 firms with 30 employees or more and 6,055 (83.8%) firms replied (Shukan Roudou News, 1999)

(*kacho*) ; and 39.6% of firms had female managers (*kakaricho*). It is noteworthy that the larger the firms, the higher the proportions which had female managers. In firms with 5,000 employees or more, there were 19.3% , 66.2% and 83.9% firms which had female directors (*bucho*), senior managers (*kacho*) and managers (*kakaricho*), respectively. Consequently, women's status had not become equal to men's status yet, and thus the aims of the EEO Act had not yet been completed.

4.3 Revised Equal Employment Opportunity Act and the Parental Leave Act

In order to improve women's status further, the EEO Act was further revised in 1999. The new law prohibits the advertising of jobs as "men only" or "women only" except for a few occupations. In addition, the ban on night work for women was lifted, and it is expected that job opportunities for women will be expanded. In 1991, the Parental Leave Act came into force, requiring employers not to disadvantage women in terms of wages and posts. It is considered that these legal changes will affect the attitudes of employers and female employees. In February 2000, an institution affiliated with the Ministry of Labour, 21-seiki Shokugyou Zaidan, conducted a statistical survey on firms with 300 employees or more (N= 2,982 firms) (Nihon keizai shinbun, 2000). 24.6% of firms had job-tracking systems, and a half of them had women in the managerial track (*sougou-shoku*). However, the women were a clear minority, and only 3.5% of all employees in the managerial track. However, if they are in the managerial track, it does not mean that they are treated equal to their male colleagues. In the survey, 61 % of the women in the managerial track replied that "there are differences in promotion compared with male colleagues who are at the same age and in the same job track and have the same tenure." The effect of the EEO Act had been quite limited. Women remained peripheral workers in the Japanese labour market.

4.4 Vicious circle of discrimination and educational qualification

Despite the EEO Act and the Parental Leave Act, the gender gap in tenure and age-wage profiles has been wide in Japan. Discrimination against women in selection and promotion leads to women's low status at work and results in women's low income. The gender gap is partly explained by discrimination against women. In addition, it is conceivable that women's low educational level is also the reason. If there was no discrimination against women in firms, women's status and income would consequently still be lower than those of men. Recently, women's education level has grown gradually to be closer to that of men. However, as Table 7 shows, women comprise less than half of the students in four-year universities and graduate schools (figures from 1999).

Table 7 Women's education level in Japan

Number of students on 1 May 1999

	Proportion of female students	All students	Female students
Graduate schools	26%	191,125	49,171
4-year universities	36%	2,509,979	910,319
2-year colleges	90%	377,852	339,741
Other schools	53%	984,242	521,017

Note : 4-year universities are undergraduate courses and do not include graduate schools. 4-year universities provide bachelor degrees ; 2-year colleges provide associate degrees. Other schools are senshugakko and kakushugakko.
Source : Ministry of Education, Japan (2000)

In Japan, there are three types of higher education, namely, 4-year universities, 2-year colleges and other schools for the teaching of professional skills. As shown in Table 7, men dominate 4-year universities and graduate schools. In contrast, the great majority at 2-year colleges were women and a half at other schools are women. Although the proportion of women among university students (including graduate schools) had increased gradually (1990 : 26.4% ; 1995 : 32.3% ; 1999 : 35.5%), they were still a minority (Ministry of Education, Japan, 2000).

It is university graduates who are expected to be managers, especially in large firms. Thus, even if there is no overt discrimination by firms, the number of female managers could not equal that of men. In addition, female university students were not as competitive as their male counterparts, because there were only a few women in good universities. Because there are more than 600 universities in Japan, attending the top universities is important to obtain stable jobs with high salaries. Moreover, female university students tend to read subjects which firms do not favour, such as humanities.

Table 8 shows the proportions of female students on the undergraduate courses of five famous universities in Tokyo. The female proportion is significantly lower than the national average (36%). The figure shows the proportion of the only 17% at the University of

Tokyo, which is less than half of the national average. In Keio University, women on bachelor courses were particularly concentrated in the Faculty of Letters, and female students represented 58% of the department in May 1998. But, this is the only department in which there were more women than men, and the department's proportion was considerably higher than 27% , which was the proportion of women on all undergraduate courses. In general, women's educational level was lower than that of men, and the average female university student was less competitive than the average male student in the labour market. Hence, these educational differentials between men and women also lead to women's low income and status at work, in addition to the discrimination in selection and promotion.

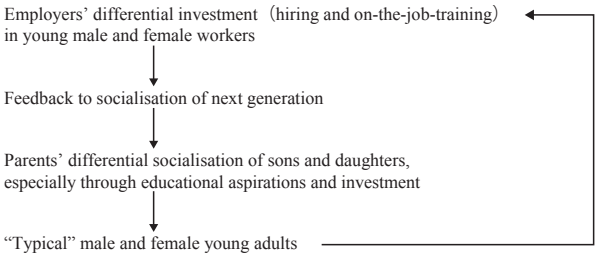
Table 8 Female students at five famous universities in Tokyo

Number of Undergraduate Students

	Proportion of female students	All students	Female students
All universities	36%	2,509,979	910,319
Tokyo	17%	15,860	2,745
Hitotsubashi	19%	5,063	946
T.I.T.	10%	5,499	554
Waseda	26%	43,599	11,376
Keio	27%	27,882	7,663

Note : The dates of collection of data are : Tokyo (1999), Hitotsubashi (1997), T.I.T. (1999), Waseda (1999), Keio (1998), all universities (1999)
T.I.T. stands for Tokyo Institute of Technology (Tokyo Kogyo Daigaku). It has science departments only. Hitotsubashi University has social-science departments only. The other three universities have a wide range of departments. Tokyo, Hitotsubashi and T.I.T. are national universities ; Waseda and Keio are private universities. Their entrance examinations and the level of tuition fees are different.
Source : Ministry of Education, Japan (2000), University of Tokyo (2000), Hitotsubashi University (2000), Tokyo Institute of Technology (2000), Waseda University (2000)
Keio University (2000)

Why are women's attitudes towards education different from those of men? Brinton (1993) argued that there is a vicious circle. The status quo of gender roles is re-created over generations (Figure 2).



Source : Brinton, M.C. (1993) p.98

Figure 2 Intergenerational transmission of gender-role stereotypes in Japan

Women's low status at work negatively affects the motivation of women and their parents to seek higher education, and thus women's low status and income, which are based on typical gender roles and low educational level, are passed on to the next generation. A low level of education results in inferior human capital and low status at work-the vicious circle repeats over generations.

Brinton (1993, p.85) argued that parents consider that education is an investment and are aware of its return. Therefore, parents invest in sons rather than daughters, because it is more profitable. In Japan, grants and student loans are very limited and normally students rely financially on their parents. Thus, the parents have great influence on children's higher education.

The argument of Brinton (1993) is supported by the fact that there are more men than women students in four-year universities and graduate schools. However, it is dubious that parents consider that education is just an investment and take into account only the return on their investment. The number of female high school students who go on to higher education (all types) has been significantly greater than that of male high school students since 1974 (Ministry of Education, Japan, 2000). In 1999, 329,838 female and 272,239 male high school students went on to higher education.

Women tend to go to two-year colleges, but men tend to go to four-year universities. As a result, the men study longer than the women do. However, more women go into higher education. If daughters are unprofitable for investment, why does this happen? In addition, female students tend to read humanity subjects at universities and colleges. Why do parents allow that, while these subjects disadvantage them toward obtaining good jobs? If Japanese parents are money conscious about education, female university

students should be concentrated in science and engineering departments of national and public universities, but they are not. Brinton (1993) neglected these points, although she emphasises parents' influences on children's education.

On the contrary, daughters are kept away from profitable jobs and the necessary education for them. This is rooted in the assumptions of a traditional gender role that women should not be breadwinners. Therefore, parents do not attempt to maximise financial returns from their daughters' education. On the other hand, since men are traditionally breadwinners, their parents naturally expect the return on investment in sons' education. Thus, if men go into higher education, they choose practical subjects in four-year universities.

Figure 2 is correct in that educational aspirations and investment create "typical" male and female adults, but it is arguable that the parental aim of investment differs by gender. Educational differences by gender are rooted in traditional gender roles rather than the investment attitudes of parents.

5 Conclusion

This paper addresses the characteristics of Japanese female employees in the late 1990s, and analysed the background. Long tenure and steep upward age-wage profiles are distinctive characteristics of Japan. However, these are characteristics of Japanese men, not women. Japanese women do not have long tenure by international standards and notably their age-wage profile is not even upward. In addition, Japan has a wide gender gap in a number of aspects. These differences are direct results of women's life cycle of work with long maternal leave during child rearing. Subsequently, most women start to work again, but they become part-timers, not standard workers. As a result, the proportion of women is high among part-timers. Hence, the average women's wage is lower than that of men, and the age-wage profiles do not increase in relation to age.

On one hand, women choose this life cycle of work because of the traditional gender role and social security benefits for housewives whose earnings were less than 1,300,000 yen p.a. On the other hand, there is structural discrimination against women in terms of selection and advancement. Women were previously excluded from the managerial track and had to remain in the bottom strata in firms. Therefore, when women married, they compared gains (time for family responsibilities) and losses (jobs) and decided to quit. These circumstances slightly changed due to the Equal Employment Opportunity Act (1987), but substantial improvement did not appear in the 1990s yet. Moreover, traditional gender roles perpetuated over generations through the aspiration for education. Hence, Japanese women in the 1990s were excluded from a typical Japanese employment system.

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