

Policy Forum

Co-organized by: Economic and Social Research Institute, Cabinet Office, Government of Japan, and University of Tokyo

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Project Team for the Promotion of Women's Active Engagement in Professional Life

- The Project Team for the Promotion of Women's Active Engagement in Professional Life was established in April 2024 to study measures to accelerate efforts across ministries.
- ◆ On 5 June, the interim report on closing the gender wage gap was published.





Prime Minister Kishida wrapping up a meeting





Macroeconomic impact of women's employment and empowerment: supply and demand sides



Japanese girls get the highest PISA score in mathematics among OECD countries

Mean PISA score in mathematics by gender (PISA, 2022)



However, the share of women remains the lowest in STEM fields



Gender Wage Gap in Japan is Large

Gender wage gap (2022 (※)) (%) 35 30 25 21.3 20 15 10 5 0 1 Jacob Contraction of the second sec 80° I M

Source: OECD Dashboard on Gender Gaps Notes: In % of median wages of men. (%) 2022 or latest available year.

Share of Women Executives in Listed Companies in Japan is Low



In Japan, men spend fewer hours of unpaid work and housework



Source: OECD Dashboard on Gender Gaps Note: (※) 2021 or latest available year

Differences in initial assignment may also affect the gender wage gap



Figure2: Working time distribution of regular workers by length of service



Source: Cabinet Office, Government of Japan(2024)," Topics of Economic Indicators No.1339: Factors Contributing to the Gender Wage in the Early Stages of a Career" Figure1:Basic Survey on Wage Structure, Ministry of Health, Labour and Welfare Figure2:Japanese Panel Study of Employment Dynamics, Recruit Works Institute.

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Non-Regular Employment : Higher proportion of women in non-regular employment after childbirth

The female employment rate in their 20s to 50s is high at around 80%. However, there is a high proportion of non-regular workers aged 30 and over (the so-called "L-shaped curve").



Source: Labor Force Survey (Basic Tabulation), Ministry of Internal Affairs and Communications

Non-Regular Employment: a higher rate of non-regular employment in service sector

Figure1: Women non-regular employment rate by industry



Figure2: Regular/Non-regular Wages by industry (Full time, annual income basis)

(Million Yen)	All Industries	Manufacturing	Wholesale and Retail Trade	Accommodations and Food Services	Living-related & Personal Services & Amusement Services	Medical, Health Care and Welfare	
Men Regular	6.0	5.9	5.9	4.5	5.0	5.6	6
Women Regular	4.4	4.0	4.3	3.6	3.7	4.4	
Women Non-regular	2.7	2.6	2.5	2.5	2.5	2.9 🖊	

Source: Figure1:Labor Force Survey (Basic Tabulation), Ministry of Internal Affairs and Communications Figure2:Basic Survey on Wage Structure, Ministry of Health, Labour and Welfare 10 Notes: In Figure2,CAO converts annual income ; Contractual cash earnings×12+Annual special cash earnings

Estimated Lifetime Household Disposable Income by type of work of woman after childbirth

 Estimated lifetime disposable income after paying taxes and social security contributions for households that continue to work as regular employees (Case 1-A) is approximately ¥170 million higher than for those who do not return to work (Case 3).

<Assumptions> Household with a couple and two children, first child born at age 29, second child born at 32.
In case 2, she returned to work when second child was 6 years old.

(Million Yen)

	①Continu	e to Work	②Re-employment			③NO re- employment
	<u>Case 1-A</u> Continue∙ Regular Employee	<u>Case 1-B</u> Continue∙ Non-regular (Full-time)	<mark>Case 2-A</mark> Re-employment∙ Regular	Case 2-B Re-employment Part-time job Within "annual income barrier" (1 million yen)	Case 2-C Re-employment Part-time job Exceed "annual income barrier" (1.5 million yen)	Case 3 Leave job∙ No re-employment
Household Disposable Income	492	405	441	352	364	325
Difference from Case 1-A		-87	-51	-140	-128	(-167)
Household Salary Income	348	292	311	252	256	225
Household Retirement Income	45	22	37	23	23	23
Household Pension Income	99	90	93	77	84	76

Notes: Salary income, pension income and retirement income are net of tax and social security contributions.

Increase in lifetime disposable income when working exceeding "annual income barrier" as a part-time worker

◆ If a woman returns to work part-time after childbirth and earns 1.5 million yen a year, exceeding the "annual income barrier", lifetime household disposable income will increase by a total of 12 million more than that of working within the threshold, due to increased salary income and pension income. In the case of 2 million yen, it increased by a total of 22 million.

Table:Estimation of lifetime household disposable income in the case of part-time re-employment.

(Million JPY)	Case 2-B annual income 1 million yen	Case 2-C annual income 1.5 million yen	<reference> Annual income 2 million yen</reference>		
Wife's salary income (※1)	27	33	43		
Wife's pension income (>>2)	28	36	38		
Spouse Allowance (%1)	2.2	—	—		
Benefit from tax deduction for spouse	2.0	2.0	0.2		
Difference from Case 2-B (Household disposable income)		1.2	2.2		
Working hours	Assumed hourly wage: 1,125 yen (%3)				
per day (5 days per week)	3.4 hours	5.1 hours	6.8 hours		

Notes: (%1)The figure is after re-employment as a part-time worker and net of tax and social security contributions.

(X2)The figure is net of tax and social security contributions.

(%3)The source of taassumed hourly wage is Basic Survey on Wage Structure(2023), Ministry of Health, Labour and Welfare. It is the hourly scheduled cash earnings, part-time workers, total for all careers, female employees, all industries, total for all sizes of enterprise.