# 40 Years of Gender Equality and Economic Policy in Japan

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<sup>\*</sup>The views expressed in this presentation are my own and do not necessarily reflect the views of my organization.

### 1985: A Pivotal Year for Japan

Plaza Accord: Yen appreciation

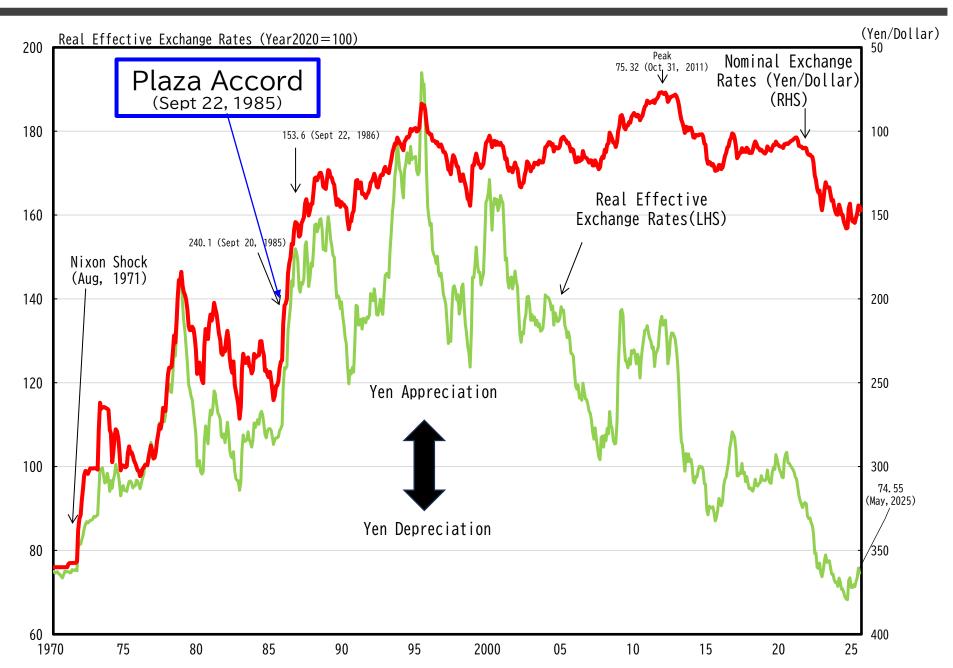
#### **Equal Employment Opportunity Act**

Discrimination based on sex is prohibited in all aspects of work management, including recruitment, employment, promotion, and mandatory retirement age.

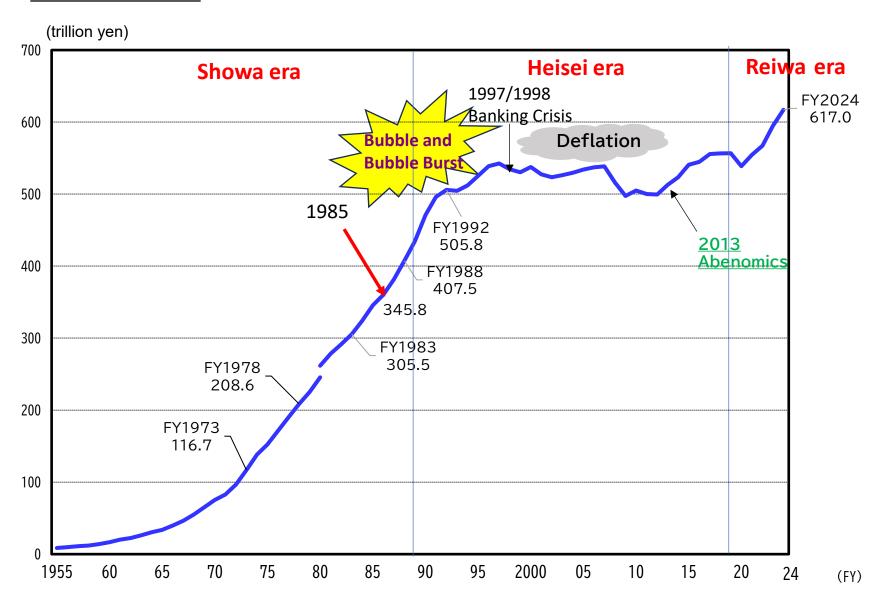
#### **Revised Pension Act**

Introduction of a "Mandatory Basic Pension for Employees' Spouses" (No contributions required, but benefits provided)

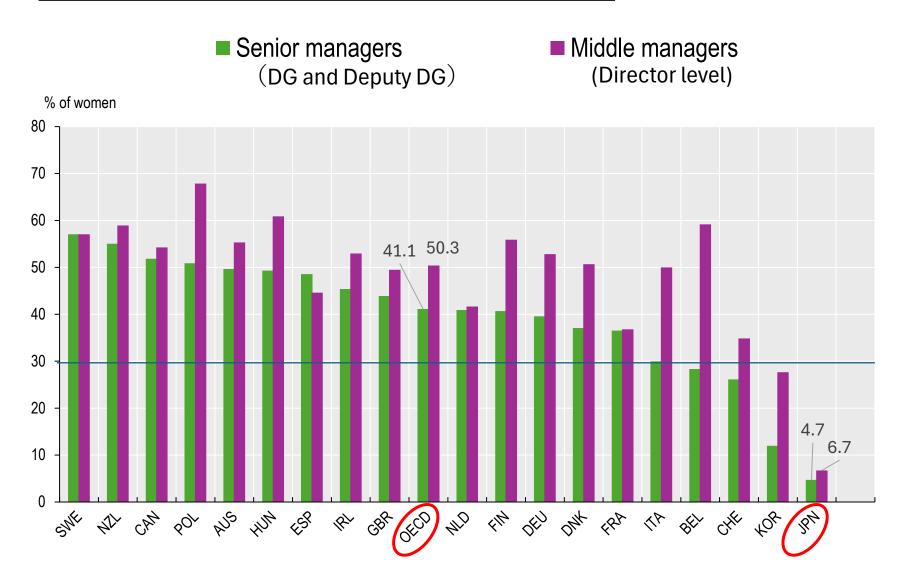
#### **Exchange Rates**



#### **Nominal GDP**



#### Women in Central Government, 2023



Source: Government at a Glance 2023, OECD

#### **Mindset**

- Stereotyped perceptions about gender role
- Unconscious bias





#### **Practices**

- Long working hours
- Dual labor market



#### **Institutions**

Legal system

**Japan's Population Pyramid in 2025 Female** Male 90 The first baby-boomers generation (Born in 1947-49) 80 76-78 years old in 2025 70 The First Generation of **Equal Employment Opportunity Act** 60 The second baby-50 boomers generation (Born in 1971-74) 51-54 years old in 2025 40 = "Employment Ice Age" 30 20 10

## Implication of gender issues

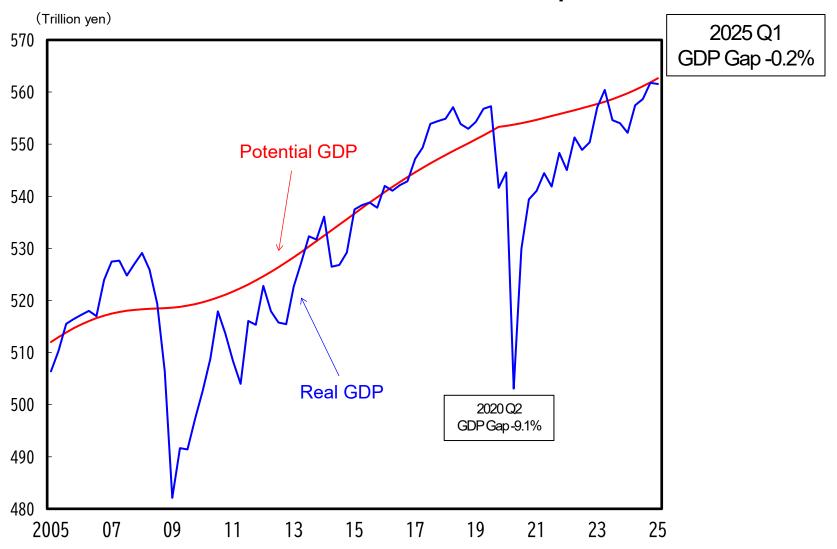
For Economic Growth

For Public Finance



Women's economic empowerment matters.

#### Potential GDP and Real GDP in Japan

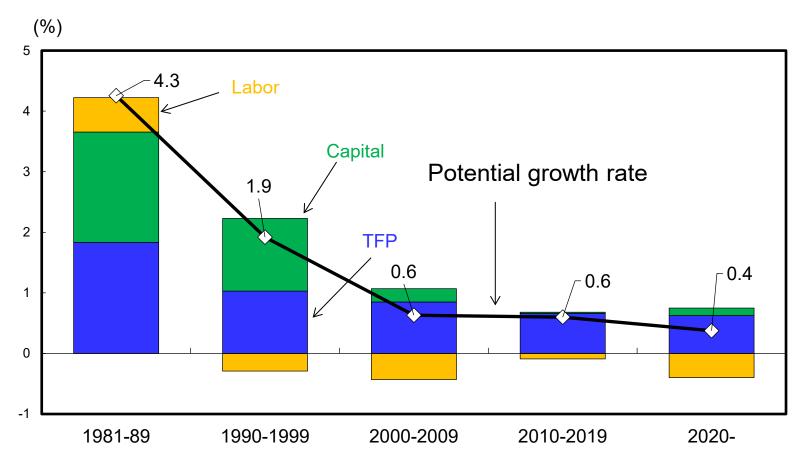


Source: Cabinet Office

#### **Potential Growth Rate in Japan**

Potential Economic Growth ← Labor, Capital Total Factor Productivity

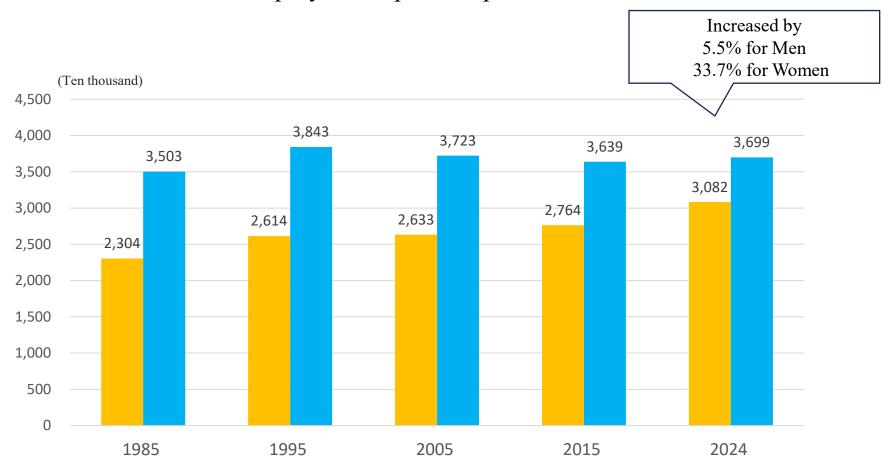
#### **Women Labor Force**



Source: Cabinet Office.

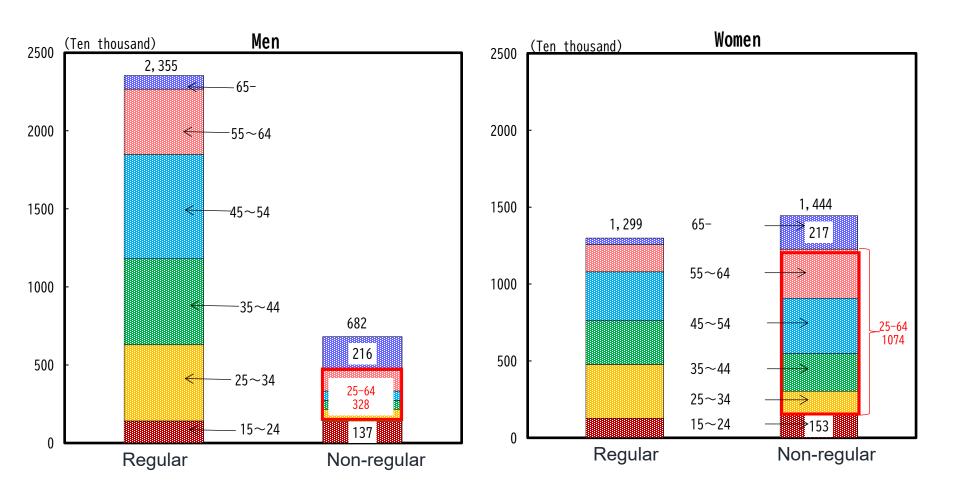
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#### Employed People in Japan: 1985-2024



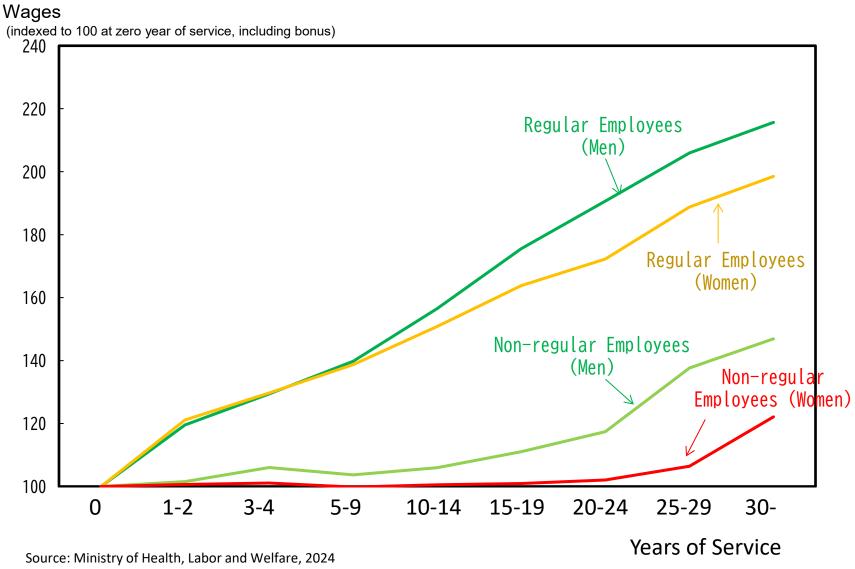
Note: Employed People = Self-employed + Family workers + Employees

#### **Employees by Age (2024)**

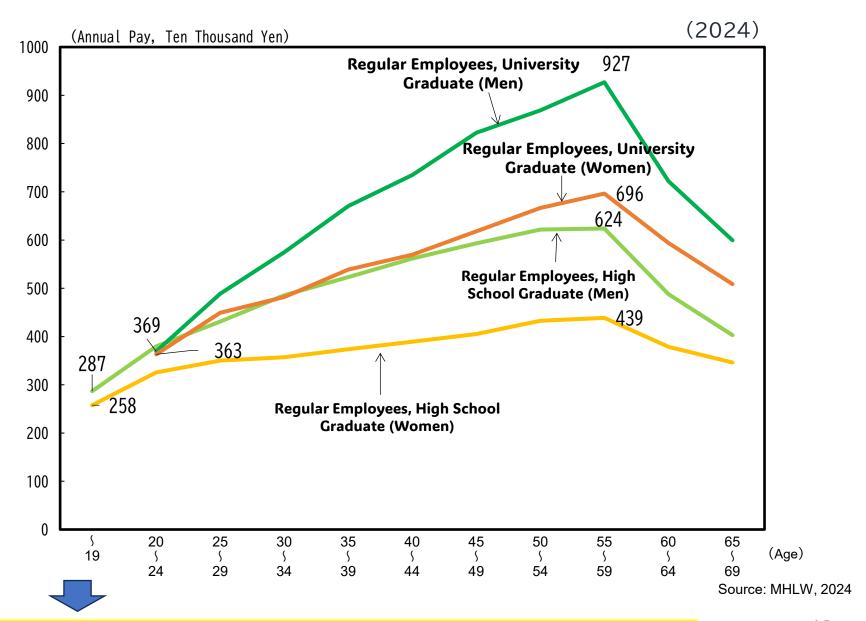


#### **Further Challenges: Dual Labor Market**

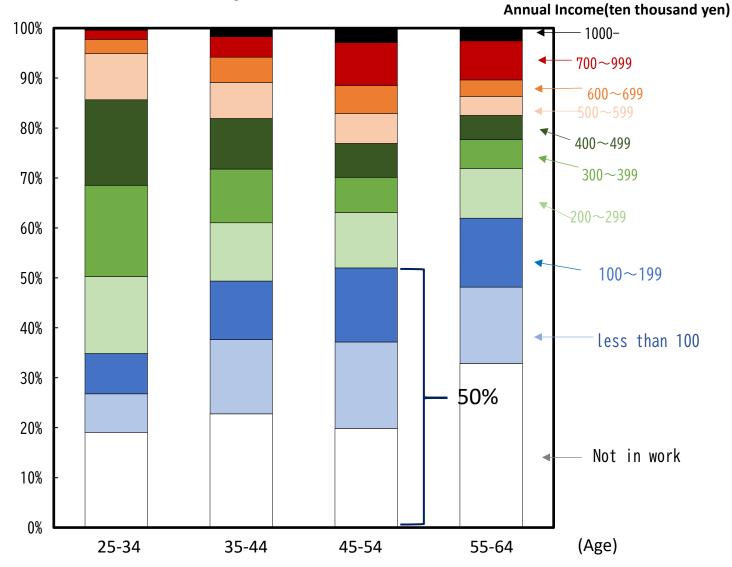
#### Wages by Years of Service (full-time employees)



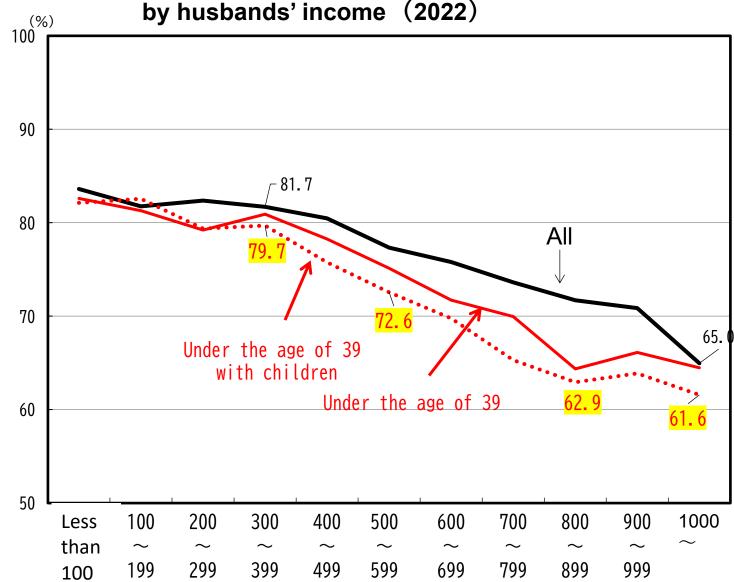
#### Gender Pay Gaps among Regular Employees in Japan



## 50% of married women aged over 35 with a university degree earn less than 2 million yen



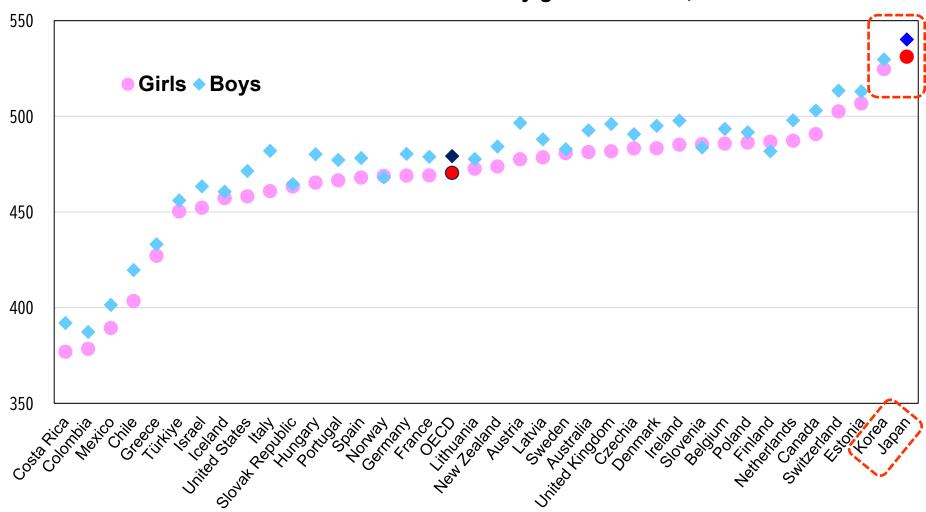
## Labor participation rates of married women by husbands' income (2022)



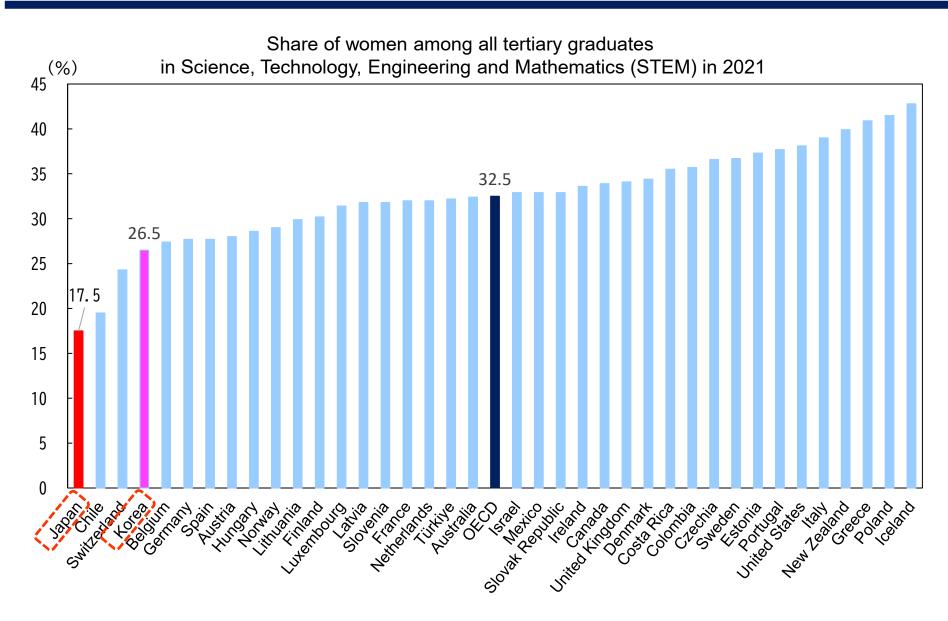
Annual income of husbands (ten thousand)

## Japanese and Korean girls achieve the highest PISA score in mathematics among OECD countries



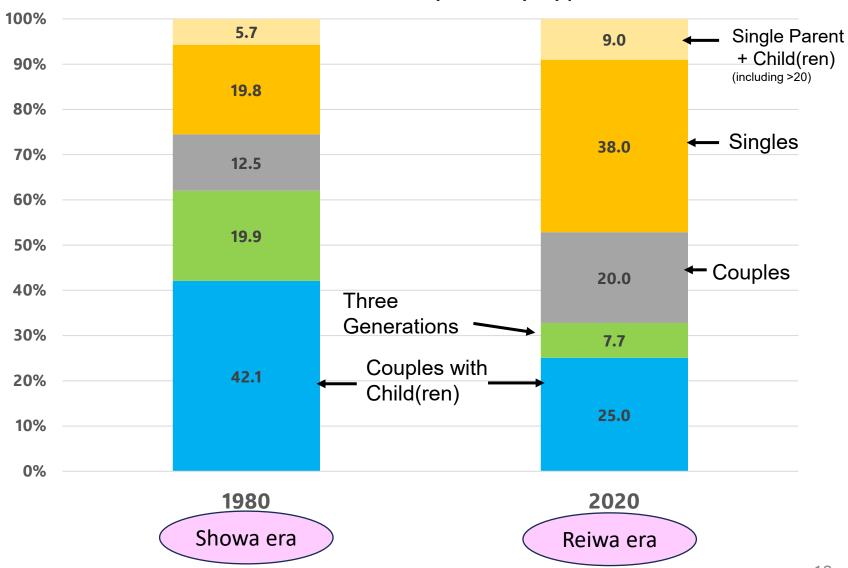


#### The share of women in STEM fields remains the lowest in Japan



#### **Changes in Family Structure**

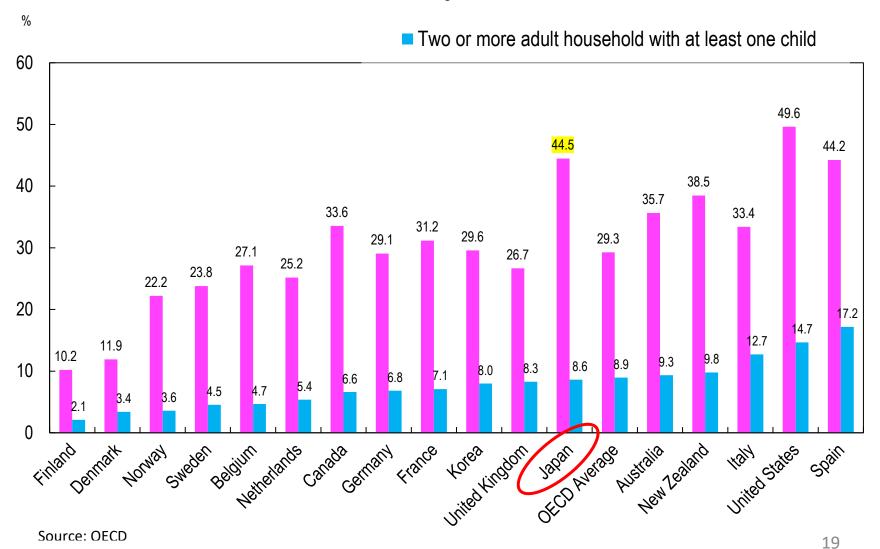




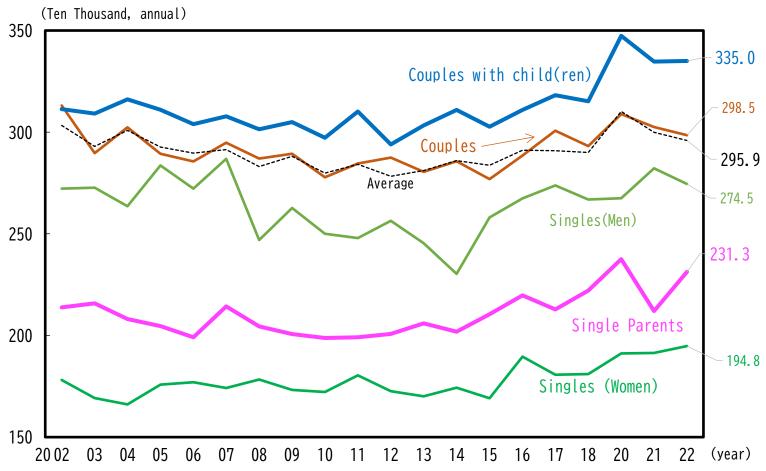
#### Poverty rates in households with children by household type

(2021 or latest available year)

Single adult household with at least one child



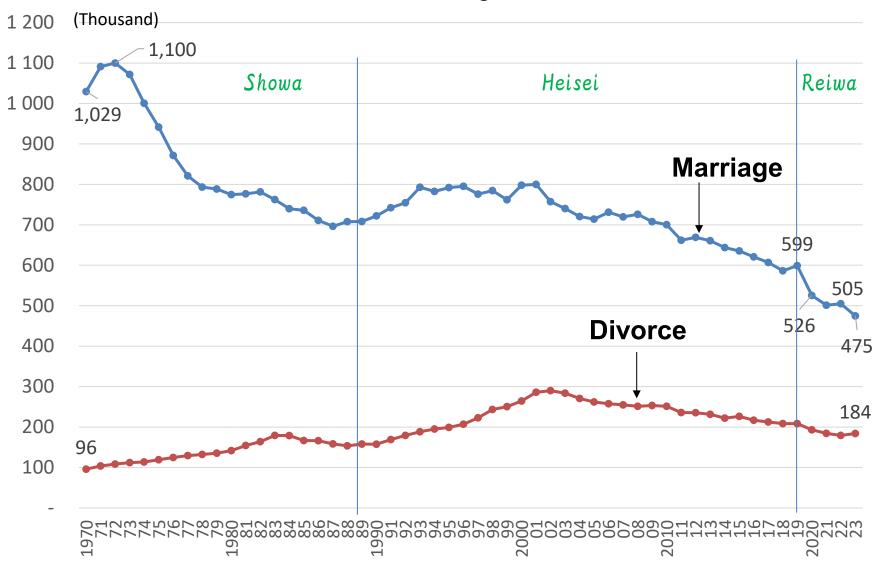
## **Equivalent Disposable Income by Household Type in Japan** (adjusted for family size)



Source: MHLW

#### **Marriage and Divorce**

#### Number of Marriages and Divorces

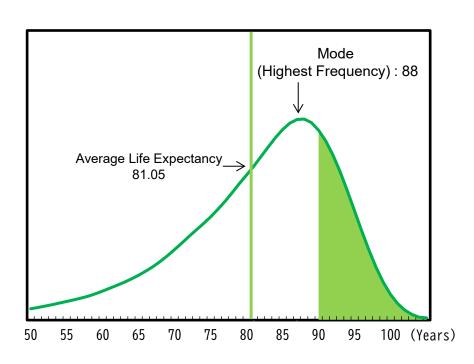


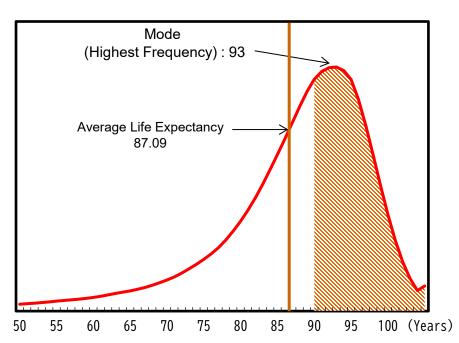
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#### Super-Longevity: 100-year Life in Japan

#### Distribution of Deaths by Age

Men Women





Source: Ministry of Health, Labor and Welfare

#### 20 % of women in Japan are 75 years old and over.

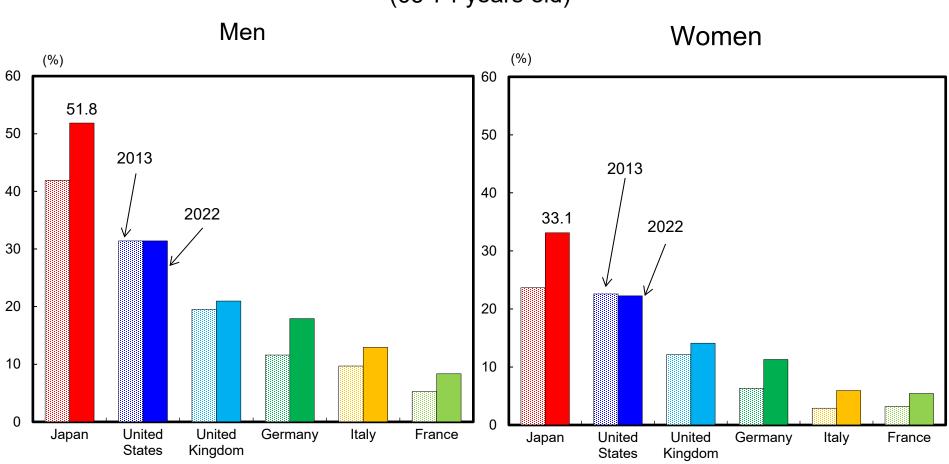
#### Population as of 1 November 2024

(Thousand)

	All	(%)	Men	(%)	Women	(%)
Total	123,790		60,230		63,550	
65 and over	36,240	29.3	15,710	26.1	20,520	32.3
75 and over	20,840	16.8	8,330	13.8	12,510	19.7
85 and over	6,760	5.5	2,190	3.6	4,570	7.2
90 and over	2,820	2.3	740	1.2	2,080	3.3
100 and over	90	0.07	10	0.02	80	0.13

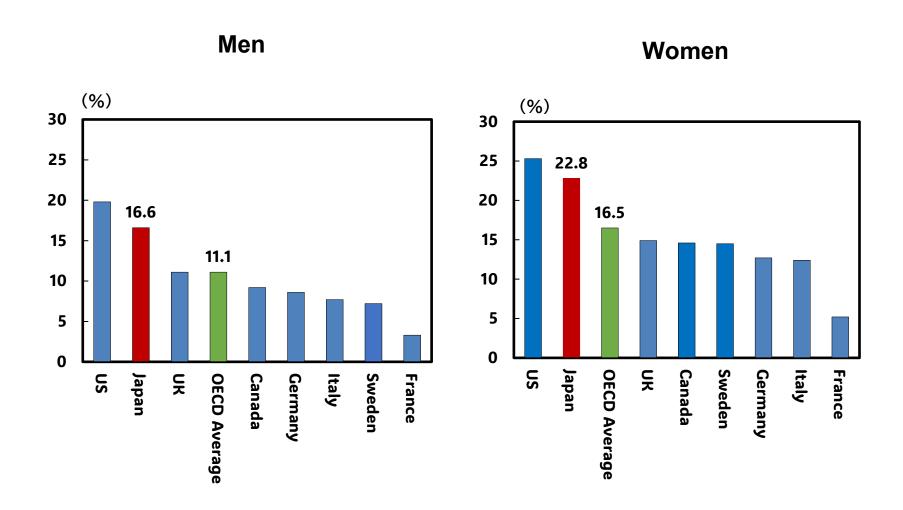
#### **High Labor Participation Rates of Older People**





(Source) OECD

#### **Poverty Rates of People over 65**



Source: OECD Pensions at a Glance, 2023

Note: Income poverty rates by age and gender, 2020 or latest available year

Percentage with income lower than 50% of median equivalised household disposable income

#### **Changes in Family Structure + Increasing Longevity**

→ The economic empowerment of women plays a vital role in enhancing the resilience and sustainability of the economy and society.

Policy cohesion matters. Targeted policy matters.