

**Gender Inequality in Japan, 1975-2000:
Individual Preferences and Social Norms of Care Work**

Thesis Submitted for the Ph.D. degree

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Abstract

The Japanese economy differs from other OECD countries in a number of important respects. Though half the women in age group 15-64 have participated in the labour force since the 1950s, patterns of gender inequality at work have been very slow to change. In the period 1975-2000, women's monthly earnings remained approximately half of men's, and female labour force participation has stagnated at 50 percent. Fertility rates, meanwhile, have declined very sharply since 1975, without being accompanied by any marked increase in married women's paid employment. One particularly unusual feature of the Japanese economy is that well qualified married women are less likely than those with lower educational qualifications to remain in the labour force.

The conventional explanations within neoclassical theory do not adequately explain these phenomena. They are based on the assumptions that people make decisions by considering income related factors. They suggest that technological advances will be associated with an increased participation of married women of in paid employment, and a particularly high participation rate for those with high qualifications; and that as a result, fertility rates will decline. The Japanese case does not conform to these expectations.

In order to explain the Japanese case more sufficiently, this thesis develops an alternative analysis drawing on Nancy Folbre and Timur Kuran's work. In this model, individuals act upon preferences formed within a framework of social norms, and not merely in response to income generating factors. The thesis explores the constraints imposed by social norms and income related factors help explain the Japanese case.

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Part I Gender Inequality in Japan

Introduction

1 Japanese Puzzles

The gender division of work, at home and in the workplace, is widely believed to develop in synchrony with the wider economy. The gender division of work affects economic development and economic development often fosters a particular gender division of work. Different countries are in different stages of economic development and exhibit different patterns of gender division.

Part of the argument of this thesis is that mainstream Anglo-American economic theory has simplified this relationship, and has readily assumed that all societies will pass through the same development path. As economies advance, both gender inequality at work and fertility rates are expected to follow the same path as that of Western Europe and areas of European settlements. Industrial economies develop from agrarian ones by going through phases of light and heavy manufacturing, eventually culminating a service economy that demands highly educated workers. Despite the different timing and the pace of development, this path is indeed common in industrial economies. As white-collar jobs increase in significance and women gain higher educational qualifications, gender wage differentials are predicted to decrease through the more equal provision of highly paid jobs for women (Goldin 1995). The rapid expansion of the market economy in the Western Organisation for Economic Co-operation and Development (OECD) countries since World War II brought about dramatic if uneven changes in gender

roles, reflected in increased female labour force participation and a gradual fertility decline. Due to technological advances, women's participation in both higher education and the labour market has increased, as has their proportion in the percentage of the population with higher-level qualifications. Fertility rates have declined for married women as they have increasingly found paid employment. Having children is also more costly than before because of decreasing gender wage differentials and growing gender equality in paid employment. Some economists predict that the same processes will occur elsewhere as economic development proceeds.

Yet peculiarities of Japanese society indicate that, although Japan has broadly followed the path of economic development that took place in Western industrial economies, it has not followed the expected path in relation to gender inequality and fertility change. In the following respects, in particular, Japan does not conform to the pattern in Western OECD countries:

- Married women with higher educational qualifications are less likely than those with lower educational qualifications to participate in the labour force.
- While gender wage differentials decreased in Western OECD countries from 1975-2000, those in Japan are still large and resistant to change. Gender wage differentials of female part-time workers are markedly large and widened even further in the 1990s.
- Though the decline in fertility rates has been rapid since the 1970s, it has not been accompanied by the increase in female labour force participation that took place in Western OECD countries.

In this thesis, I call these peculiar characteristics, the Japanese ‘puzzles’.

Why does Japan exhibit these particular puzzles? Existing economic theory does not provide a satisfactory explanation of female labour force participation and fertility change even within Western OECD countries, for these differ from country to country in ways that do not necessarily fit with economic predictions. Japan, however, differs in a particularly marked way, and I argue that this is best understood by examining the societal and institutional factors that shape female labour force participation and fertility change. Existing economic explanations pay insufficient attention to societal/institutional factors. The Japanese experience, therefore, provides a useful illustration of the limitations of neoclassical economic theory in explaining gender inequality and fertility change.

The thesis draws on the work of Nancy Folbre (1994, 2001b) to examine of the impact on people’s choices of social/institutional constraints that are themselves shaped by gender-based collective action. Importantly, the definition of social constraints includes not only material assets and rules, but also social norms and preferences. The latter emphasises the importance of emotional factors in people’s decision making; people not only seek self-interest, but also self-identity when they act upon certain preferences.

Folbre’s theory provides important insights into the Japanese experience through its exploration of the interaction between self-interest and self-identity in the process of decision making. However, her theory is largely based on cultural/institutional factors specific to the Western experience. To account for cultural factors that are *specific to the Japanese case*, this thesis develops Timur Kuran’s account of preference formation. In doing so, it attempts to deepen

Folbre's analysis of the interaction between the individual and social/institutional factors, to develop a more rounded explanation of the Japanese case.

This thesis then demonstrates my explanation of Japanese puzzles by synthesising Nancy Folbre and Timur Kuran's accounts of normative interaction.

My central hypothesis is that social values and norms embedded in Japanese social organisations are, in large part, the same as those that in predominated late nineteenth century Japan, and therefore differ significantly from those of most Western OECD countries. Values in relation to work are typically embedded in norms of masculinity and femininity, which are subject to change over time (Folbre and Weisskopf 1998). The process of change regarding the gender division of work at home is, however, slower in Japan than Western OECD countries. In Japan, the work values in social organisations were formed in direct descent from traditional feudal norms, as a result of Japan's sudden process of industrialisation (Kensy 2000; De Bary 1996: 21-37); though this point itself is not novel (Williams 1997; Garon 1997) of its implications have not been sufficiently explored in relation to the gender division at work and at home (Brinton 1993).

In this analysis, large keiretsu play a key role as they help people shape their perceptions to towards the prevailing values. My central hypothesis draws on Bourdieu's (1977) analysis of the cultural capital of elite who have an influence on how people perceive attributes such as certain types of language, attitudes and customs. I define 'elite' in Japan as the elite in large keiretsu firms who set the terms for cultural capital, and establish the attributes other's will try to acquire in order to become a member of the elite. This thesis focuses on elite in keiretsu because keiretsu increased their importance in the Japanese economy and society

after the 1970s. I demonstrate the main features related to the shift from family owned businesses to paid employment caused by the expansion of large keiretsu firms, and explain why my thesis focuses on large firms in Japan. The more popular the firm becomes as a place for paid employment, the more important employer's decisions become. Before the 1970s, family business owners tended to work with family members and, as a result, business owners, wives and mothers participated in the labour force. This, however, changed after the 1970s when paid employment began to increase.

Those hired in large firms enjoy higher paid jobs and prestige from being a member of the corporation. The employers in these firms select employees according to specific attributes. As a result, those who want to be hired by large firms tend to gain the attributes which employers in large firms value. This occurs in any industrial country, but is particularly so in the Japanese context (see details in Chapter Five). This trend became stronger in Japan after the 1970s.

2 My Analysis of the Japanese Puzzles

2.1 Main Hypothesis

Drawing on Nancy Folbre's and Timur Kuran's accounts of normative interaction, this thesis explores the interaction between prevailing gender norms and individual preferences. I argue that values and norms in social organisations in Japan encourage the development of preferences that differ widely by gender and that gendered preferences then play a crucial role in sustaining the gender inequality of work and reducing fertility rates.

My argument depends partly Kuran terms the *status quo*: an aggregate form of prevailing values and norms regarding the 'elite'. The *status quo* in Japan encourages women to choose either paid employment or having children. Working women are encouraged to follow the 'good' worker model by staying childless if they are in paid employment; mothers are encouraged to leave work. When women make the first choice – to remain single and in paid employment – fertility declines. In this scenario, higher educational qualifications do not reduce the pressure to conform to female care work patterns because married women with higher educational qualifications tend to have elite husbands, and are less likely to participate in the labour force than women with lower educational qualifications. As a result, gender wage differentials persist. This binds married women to carer roles in the family and recreates the situation of women facing an ultimatum; either paid employment or children. Until fundamental change in the *status quo* occurs, this pattern will continue. I set out this main hypothesis by the following

sub-hypotheses.

2.2 Hypotheses

As will be noted in Chapters Two and Three, a conventional economics approach falls short of explaining the Japanese case due to its misleading assumptions regarding self-interest. I make three key points. First, while the conventional approach in economics pays attention mainly to incomes and opportunity costs (i.e. self-interest), my approach uses self-interest in a broader sense and includes gains from good reputation, following Kuran (1995)'s account of self-interest.¹

Second, I argue that people's actions are driven not only by self-interest but also self-identity, based on gender, age, sexuality, race, class and nationality (Folbre 1994, 2001b).

Third, I argue that people connect their utility via reputation and emotions. Together with Kuran's account of reputational utility, people's actions driven by self-identity helps explain why people do not necessarily pursue 'self-interest' as defined in a conventional economics approach. For example, when a person identifies herself with a certain gender role, such as mother, she often acts according to what she wants to, needs to, and has to do as mother. When she

¹ Kuran uses the definition of 'utility' in explaining self-interest and divides utility into three components: intrinsic utility (utility achieved directly from his inner preference), expressive utility (additional utility which values most when a person expresses exactly intrinsic utility) and reputational utility (utility that values most when a persons shows a preference for agreeing with others and adhering to social norms).

prioritises her interest and identity as a mother over that as an individual, she acts as a mother even though she may be financially worse off during the most demanding period of time for child rearing. She may do both because she expects to acquire good reputation as mother (Kuran 1995) and feel attached to her own children (Folbre 2001b).

This happens because people play social roles to pursue their self-interest on the basis of emotions largely depending on their own experience and the expected experience. In the first place, when a person's identity is linked to certain gender, age, sexuality, race, class and nationality roles, and he/she acts according to these, emotions play a marked role (Folbre and Weisskopf 1998; Folbre 2001b). Once a person self-identifies with a group, she develops feelings of attachment to that group, and these feelings of attachment will shape her subsequent actions. People act on the basis of a mixture of various motivations such as altruism, intrinsic joy, sense of responsibility, expected return from care giving and fear of punishment or loss (Folbre and Weisskopf 1998). This agrees with the findings in cognitive psychology; the part of the brain related to emotions is indispensable when the person makes decisions and reacts to the situation (Damasio 1995).

In the second place, bodily experience strengthens the emotions associated with it (Moore 1994; Folbre 2001b: 38). Moore notes that through their bodily experience, mothers may change their subjective position; as a result, they may form a different preference in relation to child rearing or paid employment. Folbre argues that the longer mothers spend time with their own children, the more they feel attached to them. It is important to note that attachment is a kind of emotion based on which people make decisions (Damasio 1995). I argue that this can be

extended to apply to the case of Japanese men who socialise mostly with male managers and colleagues.

In the third place, emotions do not solely reflect the inner desire of the person independently of external factors. External factors can influence how a person feels, in particular, feelings of fear or insecurity. As Folbre and Kuran's accounts suggest, external factors can influence a person in the following cases: certain groups of people feel responsible because social norms dictate as much; some people act as though they expect to be rewarded financially and praised in reputation; some people act as if they fear that they will be punished or lose financially or damage their reputation, if not. Because fear induces group action and people increase their experiences as members of a group, it also encourages them to have feelings for other members in a group.

These elements such as the gain via reputation, the feeling of responsibility that is strengthened through attachment and the fear of financial loss, encourage people to maintain a clear gender division of work when they may not have a clear financial gain from doing so. A society such as Japan provides limited financial opportunities to mothers to support their family as a main breadwinner. This combines with the good reputation attached to women who follow gender norms. In the *status quo*, women with good reputation have higher probability to find a marriage partner that they and their children can financially depend on. This is particularly so, as many women believe that they will be more financially secure with a marriage partner following social norms than without him and working as a main breadwinner of the family. As people expect financial difficulties to act against social norms in the *status quo*, this encourages women to follow social

norms to avoid financial loss in the future. Thus, many women will choose to leave paid employment to take care of their own children, partly because the initial experience of childcare makes them feel more responsible for it, partly because it makes them feel more financially or reputationally secure, and partly because they feel fearful of the financial consequences of the *status quo*.

This also applies to Japanese men in the work place. Society offers little in the way of financial independence to the unemployed, and men who follow the customs of the firm in the *status quo* will achieve a good reputation. As a result, most Japanese men choose to follow the standard work pattern based on a clear gender division of work at home, partly because they feel responsible to their fellow workers, partly because they feel more secure financially and reputationally, and partly because they fear losing a job.

In a keiretsu economy, the sense of responsibility and fear can be a significant motive when people act along with the *status quo*. Fear, in particular, can be a particularly strong motive in Japanese society because people follow group consensus, as they fear being excluded. As the keiretsu is the dominant firm and upward labour mobility from small/medium size firms to keiretsu is low, people are likely to follow the group consensus *status quo* that fits with the keiretsu, in order to secure their financial position. This fear of losing security is a strong motive for conforming to the *status quo*.

The role of the elite is particularly important in the *status quo*. The best route to security lies in membership of the elite, and people will follow the *status quo* because they expect the best possible financial and reputational benefits from this. This analysis of the 'elite' draws on Bourdieu's (1977) notion of 'cultural

capital', which presents as one crucial mechanism through which class advantage is produced intergenerationally. He argues that certain skills, knowledge, tastes, and lifestyles are intergenerationally passed on within a class as 'cultural capital'. Elites, in this case, men, make holding such capital a prerequisite of rewards, even when the capital does not contribute directly to production and profit. In this process, an elite group engages in a symbolic struggle to impose a definition of society most in conformity with its collective class interests. When we introduce gender here, we can see that the form of capital that men have is more valued than that of women because it places a premium on years of experience in the labour market.

The definition of 'elite' is culturally specific and in Japan it is represented in the elements below. First, in the Japanese context, elites need to be men educated in elite universities where they achieve Western knowledge. At the same time, the elite member selflessly devotes his time to his employer by socialising with male members in keiretsu, with support from his full-time housewife, and develops networking between keiretsu and the government through alumni (Richter 2000). Because decisions are made by group consensus, Japanese society puts weight on male connections developed through socialisation.

Second, men and women have a gendered self-identity that forms a dovetailed pair in prevailing values and norms; elite sons and supportive daughters, elite working men and supportive working women and men, and working fathers and supportive mothers (Table 2-1). Women are likely to identify with members of the family while men are likely to identify with members of the firm (Table 2-1). Men are expected to selflessly devote themselves to the employer at the expense of

their private time and follow the group consensus within which senior men have leverage. Women are expected to support their husbands by taking sole responsibilities of care work for the family members so that he can spend as much time as possible socialising with managers and colleagues.

Table 2-1: Model on Preference Formation by Change of Gender Roles throughout Life Course

Related Chapter	<i>Chapter Six</i>	<i>Chapter Seven</i>	<i>Chapter Nine</i>	<i>Chapter Eight</i>	<i>Chapter One</i>
Subject	Educational Investment	Gender Vertical Segregation	Care Provision and Work Pattern	Time-off work for childcare	Social Values
Women	teens-early 20s	single adult children	married childless persons	Parents	Elderly
Gender Role at home	caring daughters future wife and mother	caring daughter but live alone future wife and mother	wife future mother	wife mother	(past) work in family businesses care provider to children (present) self caring or cared-for by society
Gender Role at work	study subjects favourable to become professional care providers	have a male job by following maleness cultur or have a female carer job	worker in female care jobs care provider	care provider worker without childcare duty	cared-for (past by family) (present by society)
Men	teens-early 20s	single adult children	married childless persons	Parents	Elderly
Gender Role at home	sucessful son future breadwinner	breadwinner	breadwinner husband future father	breadwinner husband father (earning money for the family)	pension reciever (present)
Gender Role at work	study subjects favourable to become elite workers	follow male cultural capital for job	follow male cultural capital for job	follow male cultural capital for job	
Influencial Persons on Paid Work	Fathers	Male workers in social organisations such as managers and male peers	Managers and male peers at work parents in law in fertility decision	Managers and male peers at work parents in law in care provision	adult son
Influential Person on Care Work	Mothers Grandparents (before the 1970s)	Parents (weaker influence than in teen age)	husband parents in law (before 1970s)	children husband parents in law peer parents	adult son

Note: Chapter Five discusses the origin of social values in social organisation, which fosters a traditional gender division of work illustrated above.

As the *status quo* encourages men and women to establish a clear gender division of work, people's experiences are strongly gendered; men develop a tie to male members of the firm via male socialisation (Roberson 1998; Kensy 2000); and women develop a tie to family members, particularly to their own children (Ehara 2000).

Third, reputations come to rest on men and women following their expected gender roles. In Japan, decisions are made not on the basis of individual opinion but on the basis of consensus of a group (Mirai-city 2003; Kensy 2000). The persons with bad reputations may be excluded when a group makes decisions and distributes benefits amongst members.

As argued by Kuran, the *status quo* sustains itself by authority and peer pressure (i.e. concern over reputation) for when people are concerned about reputation, they are reluctant to contest popular values and norms. In Kuran's (1995) and Kuran and Sunstein's (2000) analysis, people fear losing reputational utility if they stand out against prevailing values and norms. The values and norms then encourage people to identify themselves with their group, encouraging men to identify themselves as employees in a large keiretsu firm. Outside the family, the reputation of men and women who do not conform is lowered. Due to the importance of informal networks in social organisations (Richter 2000; Kensey 2000; Ogasawara 1998) reputation is perceived as a particularly important factor in securing connections in the workplace. In the home, reputation is also important for wives, as they need to act together with the wives of their husband's managers, colleagues and their own neighbours (Hendry 1993).

Accordingly, the *status quo* in Japan has extra enforcement power to make

men and women follow clear gender divisions of labour via reputation. As Kuran (1998) suggests, even without law or regulation, people carry on following the *status quo* because they fear the loss of reputation if they contest the *status quo*. Others are not necessarily the employers and other authority figures but also colleagues.

This suggests that many Japanese men, particularly the elite, have great difficulties in being absent from work for personal reasons because they know that their reputation drops as the employers and colleagues see them as selfish persons. They are seen as not selflessly devoting themselves to the employer by prioritising work time over their private time. If workers absent themselves from work, their fellow workers are pressurised to make up for their absence and this eventually risks their reputation amongst colleagues as well as putting their financial security at risk in the future.

Both men and women feel this peer pressure. However, working women feel this pressure differently; as people who believe in social norms praise women who leave their job for marriage and having children, working women are pressured to leave their job if they begin to absent themselves from work for family reasons.

This thesis explores how these elements of the *status quo* help create the Japanese puzzles. Given the strong influence of the *status quo*, mothers may play an unpaid child carer role not only because of altruism and the joy of doing so but also because of a sense of responsibility and fear that the *status quo* induces. The more strongly the *status quo* affects people's perceptions, the larger the impact of the latter motives. The sense of responsibility and fear combine with altruism and the

joy of childcare, and women may feel confused when they give up their jobs to specialise in looking after their own children. As specialists, these mothers directly face these complex feelings associated with unpaid childcare. I argue that this trend is stronger for university educated women in Japan. In order to avoid these complex feelings, women may remain single and in employment, and delay starting a family. Single working women face another problem; they feel pressure to conform to male members in the firm who firmly follow the *status quo*. While most men are rewarded by conforming to the group, women are less likely to be rewarded because of social norms. This is even worse for married working women. The result is, the 'Japanese puzzles'.

3 How the *Status Quo* Works

3.1 Economic Dominance of Keiretsu

Keiretsu are the groups of successful export companies linked to banks in Japan (Table 3-1). In terms of industry formation, keiretsu turn to each other for a particular service where possible, a process that perpetually reinforces mutual interdependence. Links between firms are frequently informal, with relationships founded on the basis of their interlocking directorships (Hunter 1989: 135).

Keiretsu represent only a small proportion of firms and the labour force in Japan. The Ministry of economy, Trade and Industry (METI)² (2001) in its report on small/medium size firms found that the proportion of large firms was only 0.8

per cent while that of small/medium size firms was 99.2 per cent in 1999; the proportion of employees in large firms was 19.4 per cent while that in small/medium size firms was 80.6 per cent in the same year.³

² METI is the successor of the Ministry of International Trade and Industry (MITI).

³ MITI defined small/medium firms as firms with less than or equal to 300 employees (for wholesale, less than or equal 100 employees; for retails, catering and services, less than or equal to 50 employees).

Table 3-1: Six Keiretsu Groups

Group Name	Mitsui (Mitsukoshi)	Mitsubishi (Nihon Yusen)	Sumitomo (Sumitomo Mining)	Fuyou	Daiichi Kangin	Sanwa
Main Bank	Sakura (Mitsui-Sumitomo Bank)	Mitsubishi Tokyo-Mitsubishi	Sumitomo (Mitsui-Sumitomo)	Fuji (Mizuho)	Daiichi Kangin (Mizuho)	Sanwa (UFJ Bank)
Trust Bank	Mitsui Trust	Mitsubishi Trust	Sumitomo Trust	Yasuda Trust	-	-
Insurance	Mitsui Life Insurance	Meiji Life Insurance	Sumitomo Life Insurance	Yasu Life Insurance	Asahi Life Insurance	Nihon Life Insurance
Trade Company	Mitsui Trade	Mitsubishi Trade	Sumitomo Trade	Marubeni	Itochu/Kanematsue Trade	Nissho Iwai Trade
Automobile	Toyota	Mitsubishi		Nissan	Isuzu	Daihatsu
Electronics	Toshiba	Mitsubishi Electronics	NEC	Hitachi/ Oki Electroni	Fujitsu	Sharp
Heavy Industry	Mitsui Shipbuilding/IHI	Mitsubishi Heavy Machinery	Sumitomo Heavy Machinery	Showa Electronics	Kawasaki Heavy Machinery	Hitachi Metal
Metal	Mitsui Metal	Mitsubishi Material	Sumitomo Metal	Nihon Steel	Kawasaki Steel	Kobe Steel
Real Estate	Mitsui Real Estate	Mitsubishi Real Estate	Sumitomo Real Estate	Tokyo Building		
Construction (General Construction)	Mitsui Construction	Mitsubishi Construction	Sumitomo Construction	Taisei Construction	Shimizu Construction	Obayashi Group

Source: Hino Cable TV (2003)

Note: Group Name = Name in () finance zaibatsu, the former body of keiretsu.

Main bank has complicated history of merge. For example, Mitsui-Sumitomo bank

Mitsui Bank + Taiyo Kobe Bank = Taiyo Kobe Mitsui Bank = Sakura

At the same time, Sumitomo Bank + Heiwa Mutual Trust Bank = (Expanded) Sumitomo Bank

Mitsui Sumitomo Bank is consists of Sakura Bank and (extended) Sumitomo Bank

However, keiretsu have a particularly significant impact on the economy and people in Japan. Firstly, keiretsu dominate over smaller firms within the same industrial sector. The Keiretsu system does not extend to the medium/ small enterprise sector, without which big business could not operate nearly so effectively. But in contrast to the large US firms, many small Japanese firms that are not themselves directly under keiretsu serve keiretsu, and there is severe competition amongst these small/medium firms (Shimokawa 1994). The relationship between keiretsu firms and medium/small firms is called 'Shitauke' (master-subordinate). Keiretsu of automobiles or electronics appliances, for example, located at the top echelon of firms, have plenty of 'Shitauke' small or medium firms in the middle or at the bottom of the echelon (Mari Ohsawa, 1993).

Keiretsu pressurise small/medium firms to cut the price of the products they supply to keiretsu in recessions. As the economy started to produce products requiring complicated processes from the 1970s, the link between the firms in these auto or electronic pyramids have become more like master and subordinates (Takenaka, 1989; Mari Ohsawa, 1993). Takenaka (1989: 247), Mito (1991: 263) and Mari Ohsawa (1993: 96) argue that keiretsu apply the paternal relations between parent and child of the feudal era to relations with their subordinates.

Few firms stand outside the keiretsu system. Firms in services can also offer workers poorly paid jobs in small/medium firms in industry. In the 1990s, more than 30 per cent of Japanese firms were in the service sector. The dominance of very small units was particularly great in retail and services since these were family-operated and a popular form of business.

The second, and perhaps even more important point, is that precisely

because the keiretsu employ a minority of workers, they can exert tremendous pressure on their employees to conform to their working styles. Because lifetime employment prevails within keiretsu, job mobility has declined since the 1980s (Higuchi 1991: 92-122); unemployment benefits are in addition very limited in Japan (Ministry of Health, Labour, and Welfare 2001a). On the one hand, then, the economy displays a type of exclusion between workers in keiretsu and small/medium firms because there is little upward mobility in employment between them. As lifetime employment in keiretsu creates few vacancies within keiretsu, external workers have little chance to be hired in keiretsu if not hired for their first job immediately after graduating from university. Only keiretsu workers in keiretsu enjoy lifetime employment security and progressive wages by age (see the details in Chapter Three). Higuchi (1991: 106-7) argues that employers in 1975, after the economy experienced the first oil crisis, increasingly transferred employees to the subsidiary small/medium firms, where they earned 70 per cent of the income paid in the keiretsu head firms. On average, the unemployed receive from 50 to 80 per cent of the monthly income that he or she earned in the lost job.

On the other hand, unemployment benefits are not sufficient for Japanese workers to easily leave a job. The length of payment is a maximum of 300 days for the unemployed person who had been in employment for more than 20 years (Ministry of Labour 2001). If a person decides to leave a job, they need to wait for three months to get paid unemployed insurance.

As keiretsu dominate the industry and financial security for the unemployed is low, people are encouraged to seek employment in keiretsu. As keiretsu are always positioned at the top of the industrial echelon, they can provide

their workers with lifetime jobs and progressive pay by age. Small/medium firms cannot afford to provide such good conditions because they are subject to pressures to reduce costs because of the oil crises in the 1970s. This was partly because only keiretsu could afford to provide progressive pay and partly because the service sector increased its share of the economy.

Keiretsu are, on the face of it, in the best position to develop good practices as regards gender, because they could offer lifetime employment and progressive pay to both men and women. However, as keiretsu offer financial security solely to men, they can influence not only the structure of the industry but also the gender structure by their employment practices.

Under these circumstances, despite keiretsu representing only 0.8 per cent of firms and 19.4 per cent of workers, people in Japan perceive the keiretsu as significantly shaping the economy and employment.

3.2 The Characteristics of the *Status Quo*

My central argument is as follows. As keiretsu dominate the economy, the gender norms incorporated into keiretsu have a particularly profound impact on people's perceptions of appropriate relations in the home and in the workplace. People form their perceptions by taking prevailing values and norms (the *status quo*) as their reference point; they believe that if they satisfy the elements in the *status quo*, they will be successful. Others will come to see them as elites and as the prestigious wives of the elite. This perception, however, has its drawbacks.

According to Kuran, as long as the *status quo* fits the needs of society and

most people benefit from it, following the *status quo* earns the best outcome. In this case, if people simply follow the *status quo*, society functions effectively. But in accordance with the *status quo* is effective only when men and women not only strengthen their attachment to members of the firm (men) and to the family (women) and are tied to gender roles but also when their interests are served by following it. However, if people continue following a *status quo* that no longer meets the needs of society and benefits most of the people, this causes society to malfunction; even if people are tied to gender roles, they no longer benefit. If this continues, people grow dissatisfied with the *status quo* and eventually give up believing in it. As a result, the *status quo* changes.

In the case of Japan, most people do not yet recognise that the *status quo* is subject to change. The *status quo* effectively functioned for the family before the 1970s, when the economy post-oil crises changed the formation of the family. The *status quo* worked even less effectively after the 1990s as the economy started suffering a long recession and unemployment. I argue that the gap between people's preference and real choice suggests the *status quo* in Japan may start malfunctioning. This is developed Chapters Six, Seven, Eight and Nine. Declining fertility is arguably one of the first signs of this. Despite economic changes transforming values and norms to some extent, the *status quo* maintains the importance of maleness because people rarely look at this part of the *status quo* with fresh eyes.

3.3 Change in Values

Changes in values and norms suggest which part of the status quo was strengthened while other parts were weakened. As the economy changes, families and society also change, and, in particular, their values change. Japan experienced economic development accompanied by changes in the family and, as a result, family values changed in the 1970s.

The current form of the *status quo* in Japan draws on long established attributes that are increasingly at odds with the modern economy. These attributes are based on ideal relationships between lord and subordinates, between senior and junior men and women, and between the husband and wife in the nineteenth century and before. A majority of the archetypal ideals were formed in the Tokugawa feudal era (1600-1867), but the ideal relationship between husband and wife has its root in the Meiji era (1867-1912) during its 'modernisation' period.

Most parts of the *status quo* were carried over in the post-WW II era. After lifetime employment in keiretsu prevailed in the 1970s, the responsibilities of employees to employer strengthened while the responsibilities of employer to employees weakened and became less like that of Tokugawa era. Similarly, after a firmer gender division of work in keiretsu prevailed from the 1970s, the classic relationship of husband and wife prevailed among the majority of Japanese families, but with a modification in the responsibilities of the husband.

Change occurred most in the values associated with children and elderly people. When the economy underwent significant changes in the wake of the oil crisis in the 1970s, there was also a process of change in social values and norms:

most notably, there was a changing pattern in (1) care service provision for the elderly and (2) single women's paid employment from the 1970s (Retherford, Ogawa, and Matsukura 2001). The state pension reduced the responsibility of adult children to provide financial support to elderly parents after the 1960s. After the 1970s, sons and daughters increasingly lived away from elderly parents in order to find paid employment (Mikami 1993). This induced a change in values; before the 1970s, parents had children partly because they needed to rely on them in their old age, but this motivating force has since become weaker (Mikami 1993; Cabinet Office 2002). Following this change, social norms regarding financial support from adult children to elderly parents became weaker. Furthermore, due to an increase in paid employment after the 1970s, single daughters started engaging in paid employment. Social norms that discouraged single women from working outside the family were thus modified.

It is worth noticing that, following these value changes regarding the family, there has been a change in preferences regarding the gender division of work in the family among both men and women. A greater number of men and women in the 1990s indicate that they would prefer a more equal division of work within the family than in the 1970s. In 1973, 56 per cent of men and 51 per cent of women thought that men should assist in their wife's domestic work. In 1998, by contrast, as many as 81 per cent of men and 87 per cent of women preferred an equal division of work in the family (Nihon Hoso Kyokai 1998). Regarding childcare, by 1999, 67 per cent of men said that fathers should take time off work for childcare (Prime Minister's Office 2000). Anticipating a further slide in fertility rates, the Ministry of Health, Labour and Welfare (2000) promoted a campaign

geared to change the image of the 'father', in order to encourage fathers to participate in childcare and ease a mother's responsibilities (Roberts 2002: 76-82).

In spite of these changes, a significantly large proportion of wives continue to perform the majority of care work for the family; The National Institute of Population and Social Security Research (NIPSSR)(2001) reported that mothers aged over 30 with children under one year old still carried out 80 per cent of the childcare in 1999.

The mismatch between preferences and actions suggests that both mothers and indeed fathers who would prefer a more equal division of childcare are being pressured into choosing a strict gender division of labour in the family; as Nikkei Hourly News (2003 1 March 01:00 AM) reported, that only 6.5 percent of fathers took time off work for childcare, while 30 per cent of them said they would wish to do so. Women who prefer paid employment to childcare and men who prefer childcare to paid employment have difficulty acting upon these preferences in the current social values and norms, particularly in keiretsu. Thus, even though over 80 per cent of men and women report a preference for an equal division of labour in the family, this preference is not reflected in their choices.

3.4 The Japanese Puzzles in the *Status Quo*

I argue in this thesis that an understanding of the process sustaining the *status quo* provides a better understanding of the Japanese puzzles. When they consider the *status quo* the best situation possible, people are most likely to want to be either a member of the elite or wife of an elite member. Such people will adopt strict gender

roles. As I argue in the thesis, this gender division starts from educational investment. Boys compete to obtain a degree from an elite university in order to get employment in a keiretsu, and parents support this. In contrast, even if girls have a degree from an elite university, keiretsu are reluctant to hire them because they expect women to stay at home in order to rear children and differently value women's educational qualifications from men's. If women have a degree from a female-only university, keiretsu may hire them for assistant jobs. Elites in keiretsu tend to marry university educated women, so some women are encouraged to have higher educational qualifications for the purposes of marriage. Due to this, women do not necessarily attain educational qualifications for employment as do men.⁴

Men, particularly young men, in keiretsu are pressured to follow the *status quo*. As managers assess the worker's performance with little regard for firm-based trade unions (Mari Osawa 1993: 66-7; Tsumura and Kita 1994:189), and there are few available jobs after redundancy, men conform to gender divided work patterns supported by social norms, assuming – rightly - that managers and senior male colleagues prefer this. Even if the employer does not directly pressure employees, workers are sensitive about maintaining their reputation, and fear they would be disobeying senior men if they did not follow social norms. This trend is strengthened after marriage. In contrast, married women in keiretsu are pressured to follow the wife's role. If they do not match the expectations of senior men, they are regarded as 'bad' mothers and eventually 'bad' workers who do not value the *status quo*.

As senior men in keiretsu pressure parents to fit the prevailing social

⁴ Details in Chapter Six.

norms, working fathers and mothers in keiretsu are unlikely to have access to time off for childcare even if they are legally entitled to it. Fathers rarely access childcare time-off as they are afraid of losing their job; and mothers tend to leave a job for childcare. Social norms after the 1970s are, however, less likely to restrict single men and women. Folbre (1994, 2001a) argues that changes in the economy modified social norms to reduce the restrictions on single women in the US. This also applies to Japan after the 1970s.

Where women are sensitive to value changes, it is rational for them to remain single and childless in order to continue working for pay. As maleness and marital status are crucial for elites in keiretsu, both single and married women are on the whole excluded. Nevertheless, there is less pressure on single women to follow gender norms than on working fathers and mothers.

Highly educated women in Japan are less likely to participate in the labour force partly because these women are likely to have elite husbands who need full-time housewives (Wakisaka 1990), and partly because even married women with a degree from an elite university cannot share care work for the family with an equally-highly qualified husband (Strober and Kaneko-Chan 1998). When the husband follows the ideal elite role in keiretsu, there is no option for his wife but to follow her assigned role. This is particularly so as the husband often lives away from the family for work. Also, as parents with higher educational qualifications tend to wish their children to have higher education (Brinton 1993), mothers specialise in teaching their children in the pre-school age in order to win competition for elite university places (Okada 1999).

Accordingly, as long as people in Japan stick to the current *status quo*,

mothers, particularly mothers with higher educational qualifications, are unlikely to participate in the labour force and fertility rates will continue to slide. As long as men and women think that they cannot challenge the league of senior men in keiretsu to break the mechanism of the *status quo*, delaying marriage and staying childless is the rational option for women. Therefore, fertility decline proceeds while mothers do not increase labour force participation.

Values and preferences can change as the economy and society changes. Adult sons and daughters have smaller financial responsibilities to their elder parents. This reduces the pressure of social norms and allows both adult children and elder parents to live independently. Nevertheless, as the *status quo* absorbed the impact of changes, working parents, particularly working mothers, increase their responsibilities as child carers. Though these adult sons and daughters are less burdened by care work for their elderly parents, they increase their workload as child carer because they cannot rely on support of their elderly parents in childcare. I argue that this has done so in Japan in ways that maintain the importance of maleness and seniority in the keiretsu elite.

4 Structure of the Thesis

The thesis is divided into three parts. Part I provides details of the Japanese puzzles and a comparison with the experiences of the Western OECD countries; Part II – Chapters Two to Four - examines the application of neoclassical economic theory to the Japanese experience, and offers a critique based on the analyses of Folbre and

Kuran. Part III – Chapters Five to Nine - applies the subsequent theoretical framework to give an account of the Japanese puzzles.

Chapter One highlights the characteristics of the Japanese economy that appear as peculiarities from the perspective of neoclassical economic theory, and identifies these as the Japanese puzzles.

Chapter Two explains the dominant explanations of female employment and fertility change within neoclassical theory. Chapter Three considers the application of this theoretical framework to the Japanese experience.

Chapter Four explores an alternative explanation to neoclassical economic theory, that of Nancy Folbre. In contrast with neoclassical economic theory, Folbre insists that people act upon preferences that are formed on the basis of multiple self-identities and self-interest. She argues that emotional factors play a large role in the development of self-identity, often affecting gender roles, as well as roles based on age, sexual preferences, class, race and national context.

By means of a literature review, Chapter Five discusses the central hypothesis on the development of cultural capital in social organisations and attempts to prove that social organisations today have inherited a large part of their values and norms from their predecessors in the pre-war era. This chapter focuses on large keiretsu (former zaibatsu) firms.

Chapters Six to Nine of the thesis provide a detailed empirical exploration of the sub-hypotheses, and draw on existing secondary literature to explore my central hypothesis.

Chapter Six shows that sons and daughters form their preferences by taking account of their father's preferences, social norms and values. This draws on

gender differentiated data from the major universities, available in paper form from Asahi Original (1995).

Chapter Seven demonstrates that employers select men and a few single women, who can conform to male culture at work, for highly paid positions and that this excludes most women from male high-paid jobs on the presumption that women prefer child rearing to paid employment. As noted in Chapter One, the gender gap in pay is associated with stricter vertical job segregation in Japanese firms. Here, I employ reports on industrial tribunals in the key firms on the Tokyo stock market, including Sumitomo keiretsu firms, to illustrate the way both employers and the courts affirm male cultural capital as a necessary basis for achieving a high-paid position. This indicates the role of male collective action in Japanese large- sized firms.

Chapter Eight illustrates how the *status quo* transforms the impact of value change in time off work for childcare, as peer workers believing in the *status quo* pressurise parents to follow social norms. Time off from work to care for children in Japan is actually available in many firms, but few parents in the private sector use their opportunity to take time off from work because of male peer pressure and a lack of support from others at work. This chapter further demonstrates the importance of male culture in social organisations, and draws on data regarding maternity and parental leave from Toyo Keizai Shinpo Sha (1996a, 1996b, 1999).

Chapter Nine explores the way women make decisions regarding paid work and unpaid care service work in the family, and the particularly heavy constraints on women with higher educational qualifications who may wish to seek outside paid employment. I draw here on my own analysis by using the existing

literature to illustrate that mothers may provide care services at home not only because of affection for their children, but for other reasons as well. Most importantly, some mothers may provide care work for children because they feel responsible but this is because society partially coerces women to feel like this through social norms ('coercive' being defined according to Folbre and Weisskiopf's (1998) use).

The central hypothesis is examined through the arguments presented in Chapter Five to Nine. As argued in these chapters, Japanese society tends to coerce mothers into providing care services for children. This is because current social values in Japan are based, in large part, on those of nineteenth century agrarian society. As the country's economic elites encourage others to accept the present form of values as the best, Japanese social values on gender have been slow to change. People in Japan continue to perceive that "mothers" rather than "parents" or "other adults without children" should provide childcare because a 'good mother' provides childcare services at home. As people accept this external judgement of 'good' or 'bad' mothers, women in Japan are pressured into conforming to these strict standards. This is particularly strong in Japanese society, in which reputation (i.e. external judgement) plays a significant role in social life.

Working mothers are expected to act in accordance with male and female values that largely disagree in Japanese society. This, however, means that working mothers are likely to violate ideal gender roles either at work or at home; when working mothers act as workers, they will violate female carer roles at home; when they act as mothers, they will violate male worker roles at work. In both cases, working mothers are subject to the existing gender values.

These values encourage women in Japan to choose either a male or a female gender role. Some women choose to have children and leave a job for this purpose, whilst some other women work outside the house without having children. There are, however, few gender-neutral roles that exist between these strict male and female roles. If Japanese women avoid conventional gender roles at home, they may have no children; this enables them to pursue their self-identity as a working person. If they avoid conventional male roles at work, they may stay at home to have children; this secures their reputation at the expense of their financial independence. Accordingly, there is a rationale for Japanese women to choose either children at the expense of paid employment or paid employment without children.

Chapter Nine shows that the rapid decline in fertility is related to this. If women prefer to avoid the pressure associated with female carer values, they are less likely to have children; this means that they stay single or have no children after marriage. In either case, these women dent their reputation less than working mothers who have the same work pattern as they do. It is assumed that childless women predict what may happen to them after having children through the experiences of mothers in the same generation and make choices based on this. Chapter Nine, then, examines why mothers provide childcare at home and whether or not they feel satisfied with it. If mothers, particularly mothers with higher educational qualifications, are less likely to be satisfied with caring exclusively for children at home, childless women are more likely to stay childless in the future.

Together, Chapters Five to Nine produce an alternative account to that found in the predominantly neoclassical literature on gender inequalities in Japan,

and demonstrate the impact of persistent social and gender values in Japanese society. Because of this, gender inequalities at work have remained unusually rigid, and fertility rates have dropped sharply.

Chapter One

Puzzles of the Japanese Economy

1 Introduction

This chapter addresses the Japanese puzzles in detail; that is, the lower labour force participation rates of married women with higher educational qualifications compared to those with lower educational qualifications; the resistance of gender wage differentials to change; and a rapid fertility decline that has not been accompanied by an increase in married women's labour force participation. I argue in this thesis that neoclassical economic theory - commonly used to explain Anglo-American experiences - provides an insufficient explanation of these puzzles.

The primary difference between the Anglo-American and Japanese experience are covered in Section 2 to Section 6, as follows. First, I consider the path of economic development followed by both the Western industrial countries and Japan. Section 2 examines the way that the economy has emerged and the expansion of services in Western industrial societies and Japanese society from the eighteenth century to the present. Second, I highlight the three key discrepancies that distinguish the Japanese experience from that of Anglo-American countries. Section 3 shows the pattern of female labour force participation, breaking this down to educational qualifications; Section 4 shows gender wage differentials; Section 5 shows the change in fertility rates. Section 3 shows the similarities and differences between Japan and Western OECD countries' female labour force in the period 1975-2000; in particular, this highlights the differences regarding married women with higher educational qualifications. This section also examines the

characteristics of part-time employment in Japan, such as the extraordinarily long working hours of some part-time workers. Section 4 demonstrates the fact that gender wage differentials in Japan are wider than in Western OECD countries, and that they were rigid over the period 1975-2000. This section includes a discussion of the part-time wages that married women with lower educational qualifications are most likely to be paid. Section 5 shows that Japan experienced a more rapid decline in fertility rates than Western industrial countries, excluding Spain and Italy, in the same period. This section shows that married women in Japan have not increased their labour force participation even when fertility rates have declined rapidly, in contrast with the experience in the West. Section 6 summarises the characteristics of the Japanese case.

2 Economic Development: towards a Post-Industrial Economy

According to some view, market activities developed in West European and North American economies over a similar time period and have a longer history than in Japan. The two centuries from 1450 to 1650 were marked in Europe first by exploration, exploitation, trade and settlement in the New World and West Indies, and second by a structural transformation, including of political-economic units (North 1981: 143). The short term consequences of this expansion were a widening of markets and an increase in opportunities for profit and, in turn, political pressure for structural changes to realise those opportunities. The period that preceded the initial industrial revolution is regarded as a prelude to rapid social and economic change, unleashed in Great Britain from the last half of the eighteenth century, with other Western European countries then following. The second industrial revolution

took place in the early twentieth century when it created an elastic supply curve of new knowledge which built economic growth into the system (North 1981: 171).

North (1981) described the proliferation of technology and 'science' as the second economic revolution.¹ The technological breakthrough that characterised the second economic revolution was the development of automated machinery to replace man's hands and mind in production. The first of these developments was a continuation from the initial industrial revolution and was, in part, a simple result of the increasing specialisation and division of labour, which made the objective of devising a machine to replace a simple task easier for inventors. All the economies of the Western world underwent profound structural changes as a consequence of the second economic revolution. In the United States, Henry Ford's assembly line for the manufacture of the Model T was a classic example. The type of industry created after the second industrial revolution was modern mass production, which was both capital and management-intensive (Chandler 1977). Mass production factories absorbed the male labour force and these workers formed trade unions to protect their jobs against the pressure of redundancy that cost-sensitive employers place on employees. As heavy industries require a large amount of capital, employers tended to control labour input to reduce costs, and it was important for mass production factories to have a balance between a number of managers and workers in order to function efficiently (Chandler 1977: 282-83).

¹ The second economic revolution made the underlying assumption of neoclassical economics realisable, as discussed in Chapter Two. It should be noted that neoclassical economic theory is embedded in this notion of 'science' as technology. North argues that the optimistic assumption was that new knowledge could be produced at a constant cost and that substitution at all levels made possible persistent and sustained growth. Such realisation was possible only with the wedding of science and technology.

In my view, in contrast to Western Europe, Japan's economic transition occurred later and over a shorter period of time (see Chapter Five). Before 1868, Japan was a feudal predominantly agricultural economy, but then, very rapidly shifted to an industrial one. With the collaboration of central government it caught up with the West's level of heavy manufacturing before World War II. This transformation occurred at least one century after the initial industrial revolution of the West, and the contrast is even greater if the centuries prior to the industrial revolution are considered as a preparatory period. Japan followed the traditional path of economic development, but within a period of just one hundred years compared with the Western experience of two or three hundred years.

Although Japan's transition from a feudal to an industrial economy began far later, it shifted to being a service economy during roughly the same time period as the West. Western economies have become what are defined as service economies² largely since World War II, with the speed of transformation increasing from the early 1980s (Esping-Andersen 1999: 103). The decline in industrial employment began in earnest in the 1980s. In the US in the early 1970s, less than 10 per cent of employees worked in white-collar jobs; by the early 1990s, this figure had risen to 33 per cent (Employment and Earnings, US various years). The UK and Germany experienced similar trends. Between 1979 and 1993, the OECD countries lost an (unweighted) average of 22 per cent of their manufacturing jobs (Esping-Andersen 1999: 103). Over the same period the number of white-collar jobs expanded, most rapidly in Anglo-American societies, as seen in the annual growth of services (Table 1-2-1).

² Service economy here means the economy that demands two types of workers - blue collar workers in retail, catering, and whole sale and white collar workers (both professional and clerical).

**Table 1-2-1: Service Growth and the Professional Technical Bias of Job Growth,
1980-1990**

	Annual Service Growth	Ratio of professional to total growth
Australia	3.3	1.8
Canada	2.8	1.7
UK	2.1	2.8
USA	2.7	1.9
Denmark	0.8	2.0
Sweden	1.2	4.3
Austria	1.9	2.5
Belgium	1.4	3.8
France	1.6	7.3
Germany	1.8	3.1
Japan	1.2	3.8

Source: Esping-Andersen (1999), p.108. International Labour Office, *Yearbook of Labour Statistics* (1996, 2000)

Note: Years vary according to data availability

The number of white-collar jobs increased in Japan over the same period as in Western OECD countries. In Japan, there were extra 1.4 million workers newly engaged in the non-manufacturing sector from 1986 to 1996, but the proportion of white-collar (both clerical and professional) workers among them increased from 11 percent in 1986 to 33 per cent in 1996 (Management and Coordination Agency 1997; Ministry of economy, Trade and Industry 2002).

The service sectors that expanded vary by country, as a wide range of services is covered by the term; these include business (or producer) services, distributive services, personal (or consumer services), and social services.³ Business services include finance, insurance, real-estate and business-related professional services (such as accounting, consulting, marketing, engineering and design), most of which employ a high quotient of technical, professional and managerial workers. In western industrialised countries, the employment share of

³ This follows Esping-Andersen's (1999) categorisation.

business services has at least doubled and in some cases even tripled since the 1960s (Elfring 1988:108; Esping-Andersen 1999: 37-8).

Distributive services include wholesaling, retailing, transportation, communication. These emerged as companions to mass consumption and mass transportation, and boomed in the post-war decades. This was the catalyst for the first wave of female, white-collar employment. Although accounting for approximately 20 per cent of employment, distributive services are now stagnant and are more likely to contract than grow in the future (Esping-Andersen 1999: 105) making them less likely to shape emerging post-industrial employment trends.

Personal (or consumer) services are the modern equivalent of butlers, maids, cooks, gardeners and other domestic help.⁴ They also reflect a growing quest for pleasure and purchased fun, and usually compete with tasks that households could in principle do themselves: cleaning and laundry, repairing, entertaining, serving food and drinks, and cutting hair. The labour-intensive nature and lower qualification requirements for employment in personal services is, to some extent, offset by technology and household capital goods such as washers, dryers and electric shoe-polisher.⁵ This makes household substitution easier, and depends on opportunity cost, meaning that unless they are affordable, personal services will stagnate. Partly because of different patterns of income distribution, Western OECD countries divide into low-cost service societies, such as the US and the UK, and high-cost service societies, such as Sweden and Germany

⁴ Personal services here mean the services exchanged mainly in the market; this excludes most publicly provided services such as education and health services.

⁵ Due to this character of personal services, personal service workers are paid less than workers in both other types of services and manufacturing. As women are more likely to engage in this type of service, this tends to lower women's relative wage to men's .

(Esping-Andersen 1999: 105). In the UK and US, personal services account for 10-12 per cent of the labour force; and in Germany and Sweden for 5-7 per cent (Elfring 1988: 109; Esping-Andersen 1993: 37-8).

Esping-Andersen (1993) defines social services⁶ as health, education and an array of care-giving activities, such as care provision for children and elderly. These services are largely dynamic because of the spread of mass education, ageing populations and intensified demands for health care. Households are their ultimate consumers, but apart from in a few countries, such as the US, most social services growth has taken place in the public sector. Nordic societies, as well as France and Belgium, have encouraged significant expansion of social services. This is the primary reason why Scandinavian welfare states account for approximately 30 per cent of all types of services (including, that is business services, distributive services, personal services and social services). This contrasts with other Western OECD countries where welfare services account for 15-20 per cent. Social services are skills-intensive due to their large share of medical doctors, nurses and teachers, but a notable feature is that the lower-skills bias increases as caring services grow.

Japanese service expansion is, to some extent, similar to that of the US. The types of services most widely available in Japan are business or manufacturing services, or consumer services such as restaurants, with other service sectors growing little (Ministry of Labour 1999b: reference 71, table 2-(1)-3). The main expansion of services in Japan has been in the manufacturing sector. This is similar to the US pattern from 1975-85 when the number of manufacturing jobs carried out by white-collar workers accounted for 90 per cent of the increase in manufacturing

⁶ Esping –Andersen defines social service as the types of services mainly financed by the government.

White-collar jobs related to manufacturing expanded both in the US (1975-85) and Japan (1986-96) (Ministry of economy, Trade and Industry (METI) 2002).

Personal services such as restaurants and laundry services are just as widely available in Japan as in the US. However, apart from these, Japan has fewer marketed personal services than the US. Public sector service provision is less than in Sweden, and private social services less than in the US and the UK (Esping-Andersen 1999). Regarding other personal care services and social services, Japan is more similar to non Anglo-American Western OECD countries, such as Germany and Italy. Esping-Andersen (1999: 85) categorised Germany and Italy in the group of countries that have ‘conservative’ characteristics. In this group of countries, the family is the unit that provides personal care services and social services, the market place is in a marginal position, and the state subsidises these services (Table 1-2-2).

Table 1-2-2: A Summary Overview of Regime Characteristics

	Liberal	Social Democratic	Conservative
Role of: Family Market State	Marginal Central Marginal	Marginal Marginal Central	Central Marginal Subsidiary
Welfare state: Dominant mode of solidarity Dominant locus of solidarity	Individual Market	Universal State	Kinship Cooperatism Etatism Family
Degree of decommodification	Minimal	Maximum	High (for breadwinner)
Model Example	USA	Sweden	Germany Italy

Source: Esping-Andersen (1999), p.85.

Oddly, this suggests that Japan has followed a conservative European type of family service provision similar to Germany and Italy. This contrasts markedly

with the creation of service sectors in Japan, which has mainly followed the path of Anglo-American societies. Japan has thus copied the development path of the US, but not fully followed its market development. On the other hand, it has not followed the pattern of work and family relations that characterise Germany and Italy. Germany and Italy have a strongly regulated labour market, as do Austria, Belgium, Portugal and Spain. Japan, however, has a medium level of regulation as do in Ireland, the Netherlands, Finland, Norway and Sweden. Anglo-American societies meanwhile have weakly regulated markets: for example, the US, UK, Canada and Australia (Table 1-2-3: Esping-Andersen 1999:85).

Table 1-2-3: Typology of Regime by Labour Market Regulation, Welfare State and Family Type

Labour Market Regulation	
Little regulation	Australia, Canada, Denmark, New Zealand, Switzerland, the UK and the United States
Medium regulation	Japan, Ireland, the Netherlands, Finland, Norway and Sweden
Strong Regulation	France, Germany, Austria, Belgium, Italy, Portugal and Spain
Welfare State	
Residual	Australia, Canada, New Zealand, the United States (and, to some extent, the UK)
Universalist	Denmark, Finland, Norway, Sweden, the Netherlands (and, to some extent, the UK)
Social insurance	Austria, Belgium, France, Germany, Italy, Japan, and Spain
Families	
Familialist	Austria, Germany, Italy, Japan, the Netherlands, Portugal, Spain (and less so, Belgium and France)
Non-familialist	Australia, Canada, Denmark, Finland, New Zealand, Norway, Sweden, the UK and the US

Source: Esping-Andersen (1999), p.85-86

Note: Esping-Andersen excludes Ireland in his categorisation of both 'Welfare State' and 'Families'.

Accordingly, workers in Japan are more likely to engage in manufacturing related services or consumer services such as restaurants, but the market does not sufficiently provide services that can substitute for the loss of family services as in

Anglo-American societies. Due to the uneven development of the market, men and women in Japan are affected differently by the expanding service economy.

3 Characteristics of the Female Labour Force in Japan

Section 3.1 shows the general characteristics of the female labour force in Japan and contrasts them with various Western industrial countries. Section 3.2 illustrates the pattern of labour force participation by educational qualification and contrasts it with that in various Western industrial countries, in particular, the US. Section 3.3 highlights three features. The first is that before the 1970s, a high proportion of women in Japan were working in family owned businesses including agriculture⁷. The second is the peculiar status of part-time workers in Japan, whose proportion in the total labour force increased after the 1970s while the proportion of workers in family owned businesses declined. The third feature is the negative impact of marriage on female labour force participation in the late 1990s, and the particular strength of this pattern in Japan.⁸

Section 3.3 is particularly important in addressing the Japanese puzzles. With industrialisation and the expansion of services, women moved from employment in family owned businesses to employment in firms, and it was after the mid-1970s that the pattern of female labour force participation I call the Japanese puzzle emerged. Despite what might be anticipated, this shift did not make it easier for married women to participate in paid work.

⁷ Family owned (small size) businesses are defined as family businesses in this thesis. Family businesses are businesses that are run by family members living in the same household.

⁸ South Korea has had the same trend as Japan.

3.1 Patterns of Female Labour Force Participation

In Western OECD countries, female labour force participation increased from 1970 to 1996. This was in line with the prediction that the more women there are with high qualifications and the more white-collar jobs expand, the more women will increase their participation in the labour market. In Japan, by contrast, female labour force participation has stagnated at approximately 50 per cent through the last half of the twentieth century. Before the 1970s when women, on average, had lower qualifications, there were fewer opportunities for white-collar employment. According to conventional expectations, women in Japan should have increased their labour force participation with the subsequent development of the service economy (Eaterlin 1980; Goldin 1988), but this did not occur. Japanese women have had a rather flat labour force participation for half a century.

The rate of female labour force participation was at a relatively high 50.6 per cent in 1955, dropped to a low of 45.7 per cent in 1975, reached a high of 50.7 per cent in 1991, and stood at 48.3 per cent in March 2002 (Ministry of Labour 2000; Ministry of Labour 1999b; Japan Statistic Bureau Management and Coordination Agency 2002). As Table 1-3-1 indicates, female labour force participation was relatively high in the 1920s-1960s, but has hardly increased since then. Female labour force participation in Japan has fluctuated with the economic cycle, but has stagnated at 50 per cent since the 1960s (Takenaka 1989: 228).

Table 1-3-1: Female Labour Force Participation in Japan, 1920-2002

Year	Female Labour Force Participation	Year	Female Labour Force Participation
1920	53.3	1991	50.7
1930	49.0	1992	50.7
1940	52.5	1993	50.3
1950	48.6	1994	50.2
1955	50.6	1995	50.0
1960	50.9	1996	50.0
1965	50.6	1997	50.4
1970	49.9	1998	50.1
1975	45.7	1999	49.6
1980	47.6	2000	49.3
1985	48.7	2001	49.2
1990	50.1	2002 (March)	48.3

Source: figures of 1920-65 are from Population Census. Figure of 1970 is from the Labour Force Survey, Ministry of Labour (1970). Figures of 1975-1998 are from Labour Force Survey in Ministry Labour (1999b), Figures of 1999-2002 are from Labour Force Survey in Ministry of Health, Labour and Welfare (2003).

As Table 1-3-2 indicates, female labour force participation was relatively high in Japan in the 1960s and the early 1970s, as compared with the US and the UK, and West Germany. Thirty years on, the rate in Japan was virtually unchanged, while female labour force participation in the US and West Germany had significantly increased.

Table 1-3-2: Status of Female Labour Force in Industrial Countries from 1960-70 and

1999

Country	Year	Female Labour Force Participation	Year	Female Labour Force Participation
Canada	N/A.	N/A.	1999	58.9
United States	1969	42.7	1999	59.3
West Germany	1961	41.1	1999	48.3
United Kingdom	1966	41.9	1999	43.7
Japan	1970	49.9	1999	49.6

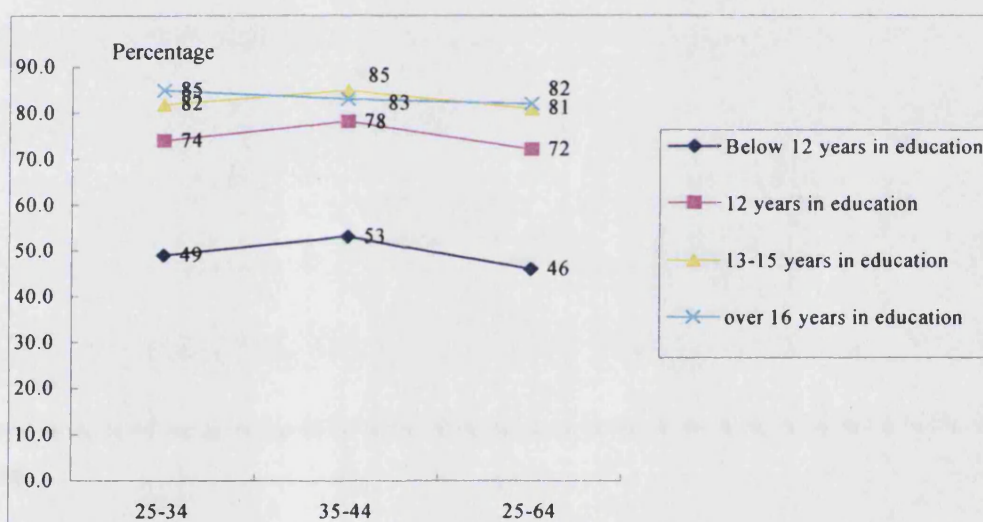
Unit: percentage

Source: *Labour Force Survey* from Ministry of Labour (1970) and Ministry of Health, Labour and Welfare (2001b) for Japan. *Yearbook of Labour Statistics*, International Labour Office (various years) for other countries

3.2 Female Labour Force Participation by Educational Qualification

In the US, there is a strong correlation between women's educational qualification and their participation in the labour market: women with more years in education are more likely to be in the labour force.

Figure 1-3-1: Female labour force participation by educational qualification in the US, in 1996

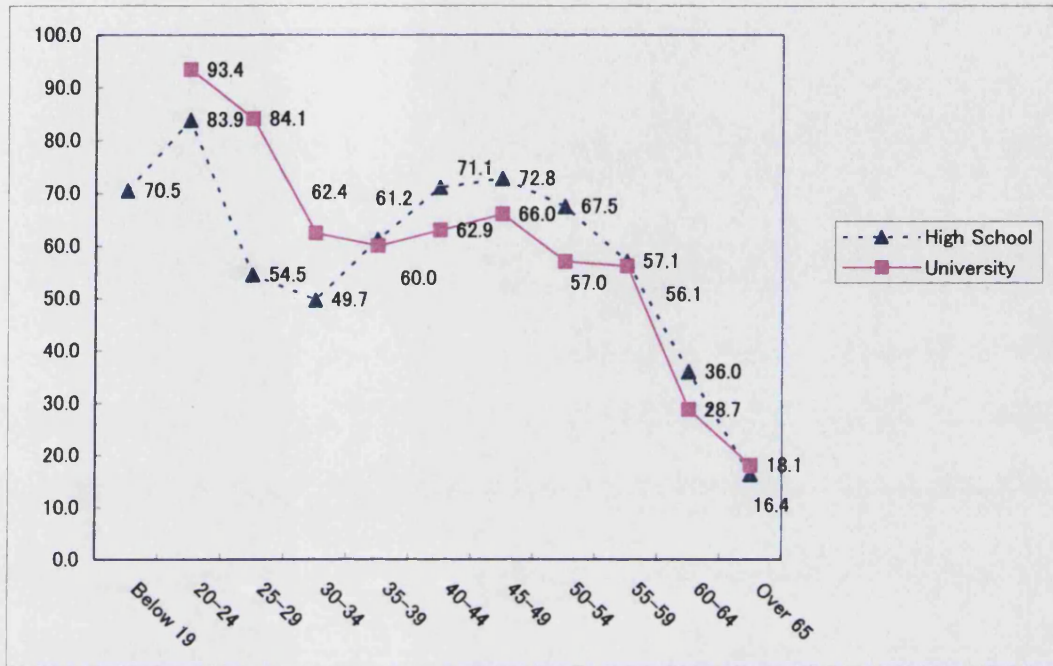


Source: OECD (1998).

In Japan, by contrast, this pattern only applies to women in their twenties and early thirties (Figure 1-3-2). Once women reach their mid thirties those with higher educational qualifications are less likely to participate in the labour force. In marked contrast to the US, this pattern has been maintained at least since 1980.⁸

⁸ Higuchi (1991: 246) noted that in 1980 labour force participation in Japan was higher for women with lower qualifications after they reached their thirties. Higuchi points out that little research has been done regarding female labour in Japan while much research has been done regarding the male labour force because life-time employment has attracted attention.

Figure 1-3-2: Female labour force participation by educational qualification in Japan, in 1999



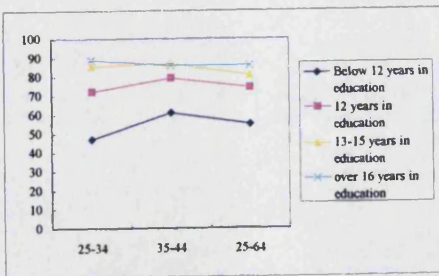
Unit: Percentage

Source: Ministry of Labour (2000: www.jil.go.jp/kisya/josei/2000)

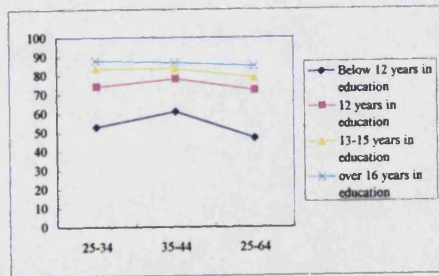
Figure 1-3-3 indicates that the US pattern is broadly replicated in other OECD countries, the main exception being South Korea where the pattern is closer to that in Japan.

Figure 1-3-3: Female labour force participation by age group and educational qualification in the UK, Canada, Germany, France, Italy and South Korea, in 1996

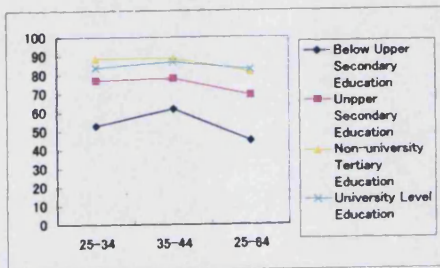
(a) UK (1996)



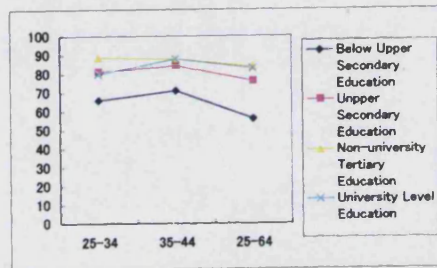
(b) Canada (1996)



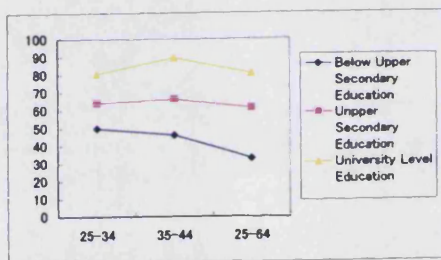
(c) Germany (1996)



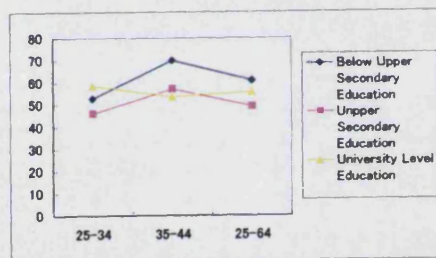
(d) France (1996)



(e) Italy (1996)



(f) South Korea (1996)



unit: percentage
source: *Education at a Glance*, OECD Indicators 1998: table F5.1

As all these tables indicate, the labour force participation of Japanese women has followed an unusual pattern. The higher educational educations that, in other countries, make it more likely that women will work outside the home (for obvious reasons, relating to the higher salaries they can command, and the possibility therefore of paying others to carry out childcare or domestic work) do not have this effect in Japan. Once women reach their mid-thirties, the better qualified are less likely to be in the labour force.

The other marked disparity is that while women's labour force participation in Japan is very high for the 20-24 age group (comparable to the US,

Canada and the UK, and considerably higher than Spain, Italy or France), it drops significantly for the 30-39 age group (Table 1-3-3).

Table 1-3-3: Labour Force Participation by Age Group and Country, 1996/1999

Age group	Japan (1999)		US (1999)		Canada (1999)		UK(1999)		South Korea (1999)	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
15-19	16.8	18.5	51.0	52.9	49.8	50.8	59.6	64.1	11.8	10.6
20-24	72.4	72.8	73.2	81.9	73.4	80.0	69.6	80.9	60.8	53.1
25-29	69.7	95.6	76.9	92.7	80.0	90.5	75.1	93.3	52.3	84.2
30-34	56.7	97.5	75.9	93.8	78.4	92.5	(age 25-34)	(age 25-34)	48.1	95.4
35-39	61.5	97.7	76.2	93.3	79.2	92.9	77.6	92.1	58.7	96.1
40-44	69.5	97.7	78.2	92.3	80.6	92.3	(age 35-49)	(age 35-49)	63.1	94.4
45-49	71.8	97.5	78.9	90.3	78.6	91.1			62.8	93.0
50-54	67.9	97.1	74.0	86.9	70.6	86.1	28.2	44.7	55.4	89.9
55-59	58.7	94.7	61.8	78.4	50.6	72.2	(age over 50)	(age over 50)	51.2	81.0
60-64	39.7	74.1	38.8	54.8	26.0	46.6			46.3	65.5
Total (over 15)	49.6	76.9	59.3 (1996)	74.9 (1996)	58.9	72.5	43.7	56.3	47.4	74.4
Total (over 0)	42.6	64.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

(cont.)

Age group	Spain (1999)		Italy (1998)		France (1996)		Germany (1999)		Sweden (1996)	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
15-19	21.6	28.3	15.5	23.8	5.3	9.4	27.8	34.4	27.4	24.2
20-24	56.1	63.3	48.6	64.2	48.6	58.0	68.1	77.3	60.1	66.1
25-29	76.1	88.2	60.9	81.0	81.4	92.2	75.1	85.4	79.1	85.7
30-34	68.5	95.3	62.2	94.1	80.9	96.6	76.2	94.7	83.0	90.3
35-39	63.9	95.1	60.4	96.2	81.9	97.1	77.0	95.8	86.7	90.6
40-44	60.0	94.8	59.2	96.2	81.1	97.2	79.8	95.6	88.6	92.0
45-49	50.5	93.0	50.9	93.5	80.9	95.0	78.3	94.5	89.9	92.0
50-54	38.8	88.4	38.7	80.1	71.5	92.6	70.5	90.4	87.6	92.0
55-59	27.6	74.9	22.7	54.1	51.7	70.4	55.3	73.9	78.4	89.6
60-64	15.4	39.8	8.1	31.7	15.2	16.2	12.7	28.7	49.8	83.3
Total (over 15)	32.4	52.1	29.6	52.6	n.a.	n.a.	48.3	67.3	n.a.	n.a.
Total (over 0)	n.a.	n.a.	n.a.	n.a.	40.1	50.8	41.3	56.4	75.6	80.0

Unit: percentage, Source: *Yearbook of Labour Statistics, ILO* (1996, 2000; table 125).

Note: total (over 15) is the labour force participation of those over 15 years old. Total (over 0) = those in labour force / total of all population including 0 year

Figure of age group 15-19 in the US, the UK, Spain and Sweden is figure of age group 16-19

3.3 Two Features

3.3.1 The Difference in Work Patterns between Japan and the US:

Paid Employment and Family Businesses

In contrast with the Anglo-American countries, particularly the US, paid employment outside the home is relatively new for women in Japan. Women in Japan have worked in family-based businesses as informal family workers since the early twentieth century, mainly in the agricultural sector after the 1920s, with a shift to commercial businesses after the 1950s. By 1970, 30.9 per cent of female workers in the total female labour force worked in a family business. A similar tendency can be seen in (West) Germany, Austria, France, Italy, Spain and South Korea. On the other hand, a low proportion of women work in family businesses in Anglo-American societies such as the US, the UK, Canada, Australia and Switzerland, where only 2.3 to 4.7 per cent of women were engaged in family businesses in the 1960s (see Table 1-3-4).

Table 1-3-4: Employment Status of Women Workers, 1960-70

Country	Year	Employee	Self-Employed	Family Worker
United States	1967	91.3	4.9	2.9
Canada	1969	90.5	4.3	4.7
United Kingdom	1966	91.5	4.0	1.5
Australia	1966	86.5	9.0	2.3
West Germany	1967	75.5	6.3	18.2
France	1962	67.5	12.3	18.7

As late as 1999, 11 per cent of women in Japan still worked in family businesses (Ministry of Labour 2001: table 3-3). This pattern has not been completely reversed in Japan, and Mari Osawa (1993) argues that female workers in family businesses made up 20 per cent of the female labour force during the 1980s. By contrast, only 1.7 per cent of men were working in family businesses in 1999. As family businesses concentrate on retailing, wholesaling and catering, and other services, women in these industries are more likely to work in small- sized businesses where their earnings are lower (Takenaka 1989; Mari Osawa 1993). This remains notable characteristic of the Japanese economy (Mari Osawa 1993: 98; Higuchi 1991: 171).

The expansion of paid employment after the 1970s effectively divided women into two groups: single women in paid employment and married women in other types of work environment such as family owned businesses. Table 1-3-5 shows that 54.5 per cent of all women but only 37 per cent of married women in 1997 were in paid employment outside the home. When the self-employed and workers in family owned businesses are included, married women increased their labour force participation to 51.3 per cent, and single women to 61.2 per cent.

Table 1-3-5: Female Employment and Labour Force Participation in Japan, in 1997

Age group	Female Employment		Female Labour Force Participation	
	Single Women	Married Women	Single Women	Married Women
Total	54.5	37.0	61.2	51.3
15-19	14.7	n.a.	16.3	n.a.
20-24	70.9	37.5	77.4	42.9
25-29	83.6	35.8	92.2	42.9
30-34	79.1	36.3	89.5	45.2
35-39	73.2	45.2	85.4	57.5
40-44	66.7	54.5	81.5	68.5
45-49	60.7	54.4	75.0	70.4
50-54	55.6	48.8	72.2	65.8
55-64	42.9	29.1	57.1	47.8
Over 65	11.1	6.3	18.5	21.3

Unit: percentage, Source: Ministry of Labour (1999a: appendix 33 table 17).

Note: 'female labour force participation' includes female workers in agriculture and employment in family owned businesses, while female employment includes female workers in paid employment outside home excluding agriculture.

One marked feature in Japan is that married and single women were equally engaged in the labour force before the 1980s. However, single women have since increased their paid employment while married women have not. In 1999, single women's labour force participation was 62.2 per cent while that of married women was 50 per cent (Ministry of Labour 2000: 1).

This begs the question: Why has the market encouraged young single women but not married women into employment outside the home since the 1990s? Takenaka (1989:227-28) and Higuchi (1991:171) argue that paid employment has been less attractive for women in general than self-employment and working in family owned businesses, suggesting that paid employment in Japan provides particularly unfavourable conditions for women. As Table 1-3-4 indicates, women working in the US are overwhelmingly in paid employment, rather than self-employment or family owned businesses.

Some other Western OECD countries experienced the same transition from self-employment and family owned businesses to paid employment from the 1960s. Table 1-3-4 shows that a relatively large proportion of women in West Germany, France, Italy, Spain and South Korea worked in family owned businesses in the 1960s.

The Japanese case is not singled out from the OECD countries because France, Italy, Spain and South Korea share certain similarities and because Germany used to share these similarities. The change in women's work patterns in Japan, however, was widely different from Anglo-American countries, particularly the US, in the 1960s. Although the degree of difference has changed since then, partial differences remain. Namely, the fact that in Japan, married women rather than single women tend to be self-employed or work in family businesses.

3.3.2 Part-time Employment

Married women's paid work is closely linked to part-time employment. Despite the fact that the majority of both men and women are in paid employment in Japan, women occupy significantly different positions. The overwhelming majority of male employees in the 25-55 age group work as full-time employees with long-term contracts, known as lifetime employment; for example, in 1997, over 87 percent of them were in this position. By contrast, the proportion of women in full-time employment falls sharply after 35 years of age (Table 1-3-6).

Table 1-3-6: Status of Employment by Gender and Age Groups, in 1997

	Employer	Full-time Employee	Part-time	Temporary Contract Worker	Agency Worker	Other Part-time	Others
Male	9.0	80.9	1.3	5.0	0.2	1.8	1.8
15-24	0.5	72.5	1.2	24.0	0.3	0.2	1.3
25-34	2.6	91.9	0.5	3.1	0.2	0.4	1.2
35-54	9.4	87.2	0.4	1.1	0.1	0.4	1.4
Over 55	21.0	57.8	4.6	4.4	0.2	7.9	4.1
Female	4.0	53.8	30.0	7.7	0.9	1.7	1.9
15-24	0.3	66.7	6.9	22.8	0.9	0.8	1.6
25-34	1.0	68.0	18.6	6.8	2.3	1.2	1.9
35-54	4.4	46.8	41.5	3.4	0.5	1.6	1.7
Over 55	11.2	39.4	36.8	4.3	0.2	3.3	2.8

Unit: Percentage

Source: Ministry of Labour (1999b), p.451.

Part-time jobs have become more prevalent since the 1970s when the number of self-employed and family business workers started to decline. The proportion of part-time workers in Japan has steadily increased since 1965. Part-time female workers increased their share of the female labour force, from 9.6 per cent in 1965 to 37.5 per cent in 1999. Since 1975, the proportion of men working part-time has also increased (Ministry of Labour 2000). However, while 39.7 per cent of female employees were part-time workers in 1999, the equivalent figure for men was only 13.4 per cent (Tanaka 2001: 121). Women comprised 67 per cent of all part-timers. The proportion of all part-time workers to total number of employees was 21.7 percent in 1999 (Tanaka 2001:121). Temporary part-time jobs are largely filled by young male and female students and part-time jobs with long-term contracts by middle-aged men and women over 55 years old (Table 1-3-6). Part-time workers employed for long periods of time are mainly married women.

This tendency for women to work part-time is not, of course, unique to Japan, and many Western OECD countries including Germany, Denmark, the

Netherlands, Sweden and the UK share the same trend (Tanaka 2001). In 1994, part-time women workers as a proportion of overall female employees ranged from over 40 per cent in the Netherlands, Sweden and the UK, to around one-third in Denmark and Germany (Smith, Fagan and Rubery 1998: 36).

There is, however, one striking feature of Japanese part-time employment: that is, in Japan, some “part-time” workers work the equivalent of full-time hours, but are paid a part-time wage and provided with very little or no social security. Although the Labour Force Survey is commonly used for part-time worker analysis, it excludes some part-time workers who work hours as long as full-time workers, but are paid and treated as part-time workers (Shinozuka 1982; Mari Osawa 1993).

This is particularly related to the odd definition of ‘part-time’ workers commonly used in Japan. Approximately 20 per cent of “part-time” workers in Japan work as long as full-time workers, but are still classified as part-time workers and are paid a part-time wage (Mari Osawa 1993). As some surveys in Japan do not define part-time workers by their working hours per week, some part-timers work as long as full-time workers in Western industrial countries, but a shorter week than full-time workers in Japan (Mari Osawa 1993:81). Part-time contracts have been used, in other words, as a way of imposing lower hourly pay rates or denying workers holiday pay, without necessarily meaning these workers are employed for less than 35 hours per week (which is the International Labour Office (ILO) definition of part-time workers).⁹

⁹ While the ILO defines part-time workers as those who work less than 35 hours per week, the length of working hours alone does not differentiate between part-time and full-time workers in Japan, for surveys in Japan do not employ a uniform definition of part-time worker (Shinozuka 1992; Mari Osawa 1993; Tokuda 1993). The General Survey on Part-time Labour reported that in 1990, 20 per cent of part-time workers worked longer than 35 hours, but were nonetheless paid and treated as

In case where part-time workers work as long as full-time workers (40 hours a week), it is marital status and age that creates the difference in pay and job security. Part-time workers rarely change their status to full-time workers in Japan. Once married, women with lower educational qualifications tend to be hired as part-time workers in retailing, wholesaling, catering and manufacturing (Mari Osawa 1993; Tsumura and Kita 1994). Many married female part-time workers often do the same tasks as junior female full-time workers with the same educational qualifications, but married women are paid part-time wages

To sum up, the expansion of paid employment has largely passed married women by, for they still stand to be self-employed or working in family owned businesses. It has also created a Japanese type of “part-time” job, resulting in the crowding of those married women who are in paid employment into these part-time jobs. As will be discussed in Chapter Two, women may ‘prefer’ part-time jobs, but it is also, as Mari Osawa argues, employers who prevent married women from working full-time, because employers set age limitations on females applying for full-time jobs. This has substantially closed the door on middle-aged women who have finished rearing their children.

part-time, and that 16 per cent of female part-time workers fell into this category (Mari Osawa 1993; 82). This, then, makes it difficult to picture both how long they work and how they are treated when we compare part-timers in Japan with their counterparts in the west.

4 Gender Wage Differentials and Gender Job Segregation

4.1 Gender Wage Differentials

The other Japanese puzzle is that gender wage differentials in Japan have changed so slowly during the period 1975-2000. Gender wage differentials declined only 6 per cent over the two decades, and there has been relatively little change compared with the period before 1975. As Figure 1-4-1 indicates, women's hourly wage relative to men's has remained within the range 58.4 per cent to 63.9 per cent for two decades. In spite of a slight rise in relative wage, there is still a wide wage gap between men and women. However, after the early 1990s, women's relative hourly wage rose.

Figure 1-4-1: Women's hourly wage relative to men, 1962-2002

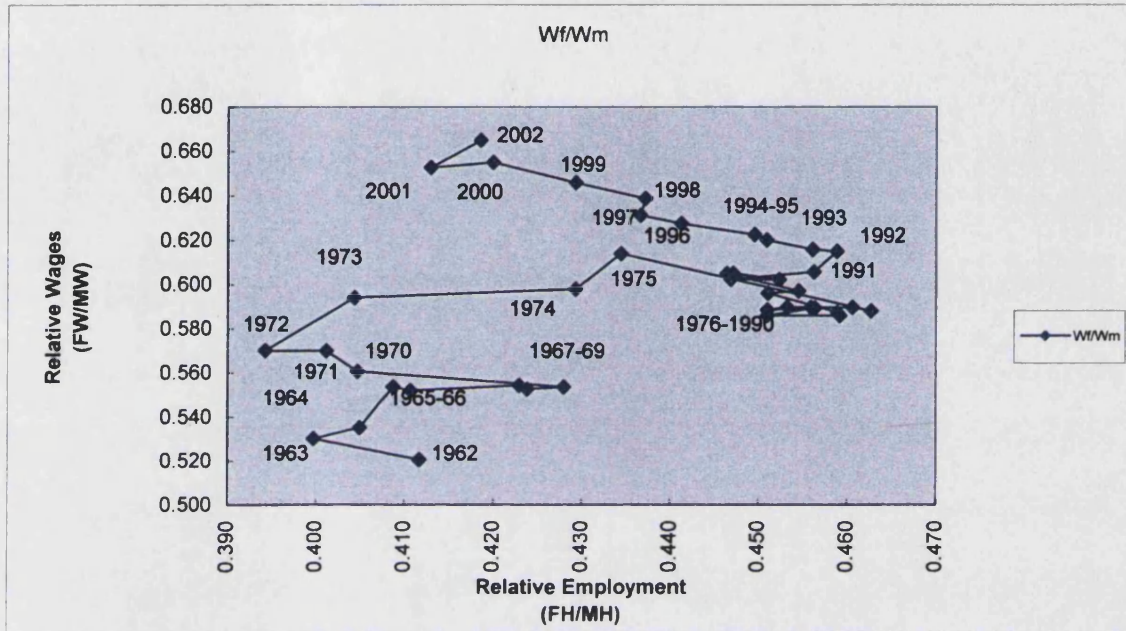


Source: Ministry of Labour (various years), Basic Survey on Wage Structure.

Note: characteristics of data are the same as Figure 1-4-2. Wf: Women's hourly wages, Wm: Men's hourly wages

The main increase in women's relative hourly wage was achieved during the early 1970s and after 1991 (Figure 1-4-2). Importantly, women's relative wages hardly changed during 1975-1991, despite a slight increase in women's employment relative to men's after 1973. During 1975-1991, both women's hourly wage and working hours relative to men's changed to a narrower range than before 1975. Figure 1-4-2 indicates that before 1973, there was an inverse relation between women's hourly wage relative to men's and their employment relative to men's. For example, if women's relative pay rose, then their relative employment decreased. However, this was not the case after 1973. Women's relative hourly wage increased 1 or 2 per cent during 1973-1975 while their relative employment increased 30 per cent. During 1976-1990, women's relative wages stagnated. After 1991, they increased a little, but the change was smaller than before 1975. Women's hourly wages relative to men rose again, particularly in the late 1990s; they increased as large as by five cent, 0.62 in 1996 to 0.67 in 2002. However, this was accompanied by the decrease in women's employment relative to men. Although the relative employment increased a little from 2001 to 2002, women's relative employment in 2002 is far smaller than in the 1990s.

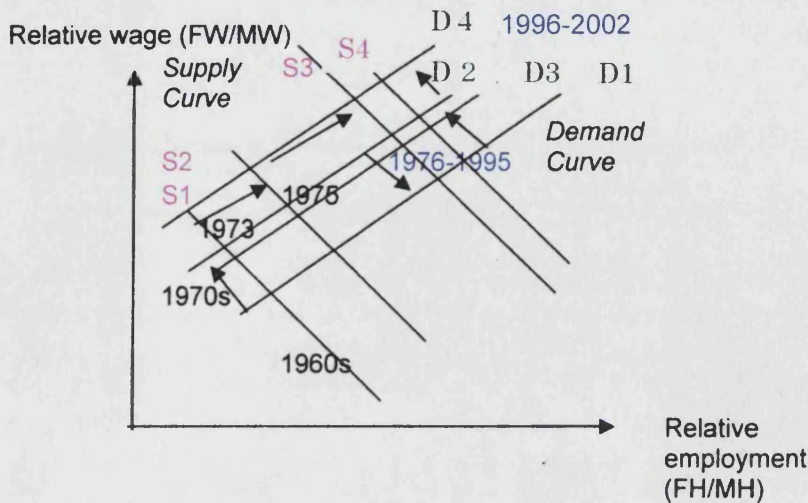
Figure 1-4-2: Women's Relative Hourly Wage and Relative Employment to Men's, 1962-2002



Source: Ministry of Labour (various years), Basic Survey on Wage Structure.

Note: created by the Author. Unit: MH = total number of hours men worked in the year, FH = total number of hours women worked in the year, MW = the average hourly wage for men, FW = the average hourly wage for women. The numbers in Figure are years.

(Reference of Figure 1-4-2)



Note: The clusters of equilibrium moved as Supply and Demand Curves moved S1 and D1 in the 1960s, D2 in 1973, S2 in 1973, S3 and D1 in 1976-1990, S4 and D3 during 1990-95, and S4 and D4 after 1995.

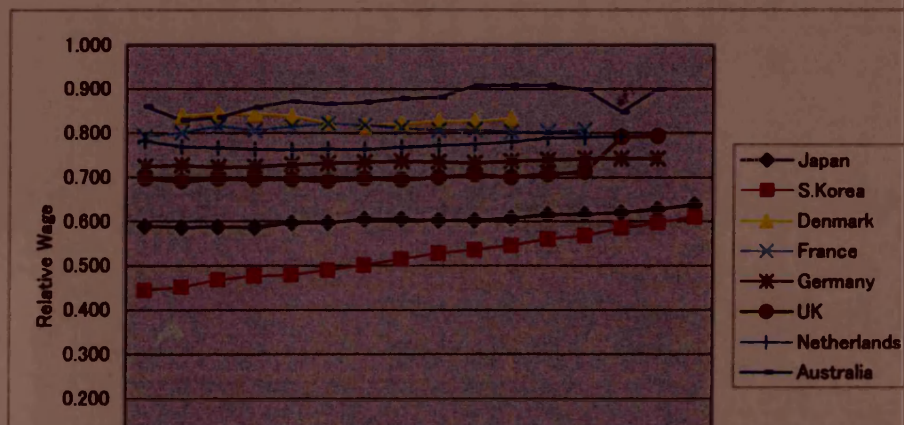
Reference of this Figure: Zabalza and Tzannatos (1985)

The gender wage differential in Japan is considerably larger than in some Western industrial countries. Female full-time workers in Japan earned 63.8 per cent of the hourly wage of men in 1999. This figure is far smaller than in western OECD countries, and much below that in Denmark, France, Germany, the UK, the Netherlands and Australia where women were paid at approximately 75-80 per cent of male wage rates during the period 1982-96 (Figure 1-4-3). The US experience is perhaps closer to the Japanese one, for women's hourly wage relative to men's barely changed at all in the US from 1960 to 1980. Women were paid 60.7 per cent of the male wage rate in 1960, 59.4 per cent in 1970, 58.8 per cent in 1975, and 60.2 per cent in 1980. In contrast to Japan, however, women's relative wage has increased steadily since 1982, rising to 61.7 per cent in 1987 and 68.0 per cent in 1989, despite a slight

continued.

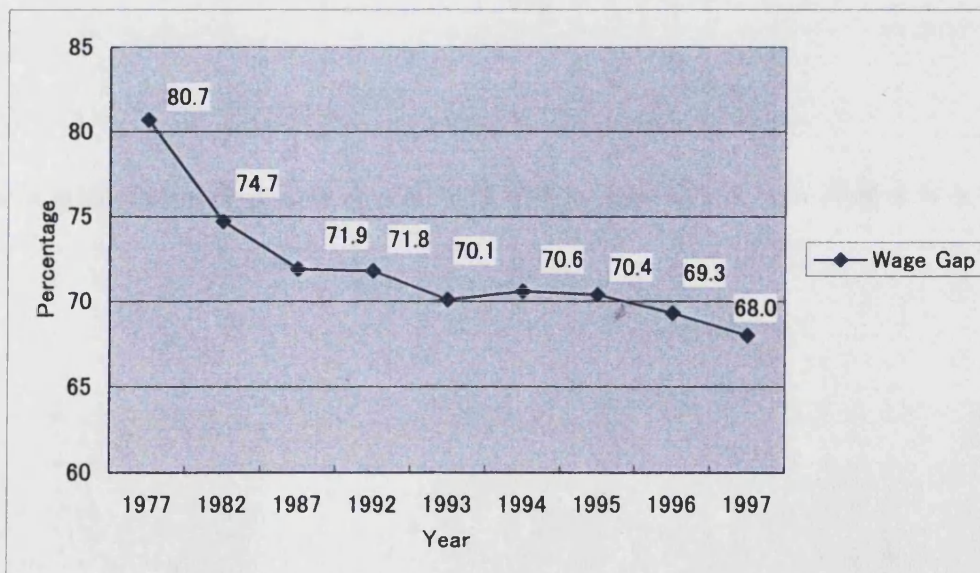
Countries,

Figure 1-4-3: Relative Pay of Women, excluding Agriculture in Industrial Countries, 1980-1996



1982-97, with a fall of 6.7 per cent in fifteen years but they fell relatively slower than in 1977-82. Because the full expansion of service employment did not occur until the late 1980s, female part-time workers were likely to work in manufacturing in 1977-82. In 1979, the second oil shock took place, and manufacturing was badly damaged by this, in turn putting pressure on manufacturing firms to cut their labour costs to be more competitive in the international market. Large-sized firms could not cut wages for male full-time workers because employers and firm-unions agreed to provide lifetime employment and seniority wages to all male workers to avoid industrial action (details in Chapter Two).

Figure 1-4-4: Hourly wage of part-time female workers as a proportion of that of full-time female workers, 1977-97



Data source: The Ministry of Labour (1999a), p.31.

This trend has continued even since service sector expansion in the late 1980s. This is because services expanded in retailing, wholesaling, and catering, all

of which basically pay less, even for female full-time workers. Furthermore, since there are more part-time jobs available in retailing, wholesaling, and catering in urban than in rural areas, married women in urban areas tend to congregate in part-time jobs. Bergmann (1974) explores the Crowding Theory; she creates a model in which women and minorities are crowded into a restricted number of occupations to explain inequalities between individuals, as employers and male workers create and condition the labour market in their self-interest. Partly because of this, the hourly wage of part-time workers in retail, wholesaling and catering is lower than that of full-time employees (Houseman and Machiko Osawa 1998).

It is problematic that female part-time workers are unlikely to be financially independent of a male breadwinner because of their low wage. Calculating female part-timers' hourly wage relative to male full-timers', female part-time workers earn 43 per cent of their male counterparts in 1997; while the hourly wages of a part-timer are only 68 per cent of those of a full-time female worker (Figure 1-4-2 and Figure 1-4-4).

Such a considerably lower wage for part-time jobs is a peculiar feature of Japan in comparison with Germany and France in the 1990s. In Germany, in the 1990s, male part-time workers earned 77 per cent of the hourly wage of male full-time workers, and female part-time workers earned 88 per cent of the hourly wage of female full-time workers. In France, in the 1990s, part-time workers earned 83 per cent of full-time workers' earnings (International Section of Minister of Labour's Bureau 1999: 297-314; Tanaka 2001). By contrast, in the US in the 1980s and 1990s, female part-time workers were paid 74 per cent of female full-time wages, and male part-time workers were paid 54 per cent of male-full-time wages (Hirsch 2000). Thus, the US reflects the same tendency as Japan regarding part-time wages, resulting in a

problem for both countries in respect to part-time workers' low pay.¹⁰

The significantly low pay for female part-time workers is the most striking feature of Japan because the gap between female full-time and part-time wages in Japan is wider than in Germany and France, and yet the proportion of female part-time workers is increasing as rapidly as in European OECD countries.

¹⁰ The UK is similar to the US in terms of wages for part-time workers. The hourly wage rate for part-time workers in the UK is 20 per cent lower than for full-time workers (DuRivage 1992; Warne, Lundy and Lundy 1992; Maier 1994; Delsen 1995). The UK is moving towards the normalisation of part-time work (Delsen 1998:69).

5 Rapid Decline in Fertility Rates

Total fertility rate (TRF), which indicates the number of children that the average woman in the age group 15-64 has in her lifetime, has declined in Japan since the 1970s. Similar pattern occurred in Western OECD countries up to 1985. Fertility then stably or increased in Western OECD countries while in Japan they continue to drop. As Table 1-5-1 indicates, it fell steadily from 2.13 in 1970 to 1.38 in 1998. It has since declined further to 1.34 in 2000.

Similar trends were evident in other OECD countries in the 1980s-1990s. In France, the TFR changes rose momentarily to 1.99 in 1980, then fell to 1.78 in 1990, and further dropped to 1.72 in 1996. In Italy, the TFR had fallen to 1.61 in 1980, fell further to 1.43 in 1984, 1.36 in 1990, and declined further to 1.19 in 1995. In Spain, the change in the TFR is even more striking: the TFR was 2.53 as late as 1978, but plummeted to 2.05 in 1981, dropped further to 1.54 in 1986 and continued falling to 1.15 in 1996.

Table 1-5-1: Total Fertility Rate in industrial Countries, 1950-98

Year	Japan	US	UK	Netherlands	Sweden
1950	3.65	3.02	2.19	3.10	2.32
1955	2.37	3.52	2.16	3.05	2.25
1960	2.00	3.64	2.57	3.11	2.17
1965	2.14	2.93	...	3.03	2.39
1970	2.13	2.46	...	2.58	1.94
1975	1.91	1.80	...	1.67	1.78
1980	1.75	1.84	...	1.60	1.68
1985	1.76	1.84	1.80	1.51	1.74
1990	1.54	2.08	1.85	1.62	2.13
1995	1.42	2.02	1.71	1.54	1.74
1996	1.43	2.03	1.73	1.54	1.61
1997	1.39	2.03	...	...	...
1998	1.38 *	...	...	...	...
Year	Germany ¹⁾	France	Spain	Italy	
1950	...	2.92	2.46	2.52	
1955	2.07	2.70	...	...
1960	2.34	2.72	2.81	2.31	
1965	2.50	2.82	...	2.55	
1970	2.01	2.47	2.82	...	
1975	1.45	1.96	2.53 (1978)	2.14	
1980	1.46	1.99	2.05(1981)	1.61	
1985	1.30	1.83	1.54 (1986)	...	
1990	1.45 ^E	1.78	...	1.36	
1995	1.25 ^E	1.70	1.18	1.19	
1996	1.32	1.72	1.15	...	
1997	...	...	...	...
1998	...	...	...	...

Source: *Demographic Yearbook*, excluding Japan.

Figures of Japan are from National Institute of Population and Social Security Research (NIPSSR) (2001).

1) before 1991 figures are from West Germany..

* roughly calculated figure E=Council of Europe, Recent demographic developments in Europe 1997

U=U.S. Department of Health and Human Services, *National Vital Statistics Report*, Vol.47, №18.

In conventional understanding, a decline in fertility rates is linked to an expansion of educational and employment opportunities for women, which both

increase the length of time women spend in education and attractiveness of paid employment. The puzzle in the Japanese case is that fertility rates continue declining without an increase in married women's labour force participation in the service economy.

6 Summary

Sections 2-5 have illustrated the Japanese puzzles in relation to gender inequality at work and fertility rates. These puzzles consist of three characteristics. The first is that women with higher educational qualifications in Japan are less likely than other women to participate in the labour force after their mid-thirties. Women with lower qualifications tend to work in traditional sectors such as manufacturing, retail, wholesale and catering. Married women with high qualifications are less likely to work in this pattern. In Western OECD countries, women with higher educational qualifications are more likely to participate in the labour force, particularly in paid employment. In most Western OECD countries, the expansion of white-collar jobs has benefited women by increasing their participation in paid employment, in particular women with higher educational qualifications, and, as a result, female paid employment increased in the 1980s and 1990s when services expanded. In case of Japan, paid employment for young single women, particularly for women with higher educational qualifications, has increased since the mid-1980s, when business services expanded and the Equal Employment Opportunity Law was introduced. Nevertheless, most women tend to leave a job to start a family in their late twenties and early thirties. After marriage, part-time employment provides job opportunities to married women, but mainly for those with lower educational

qualifications. Because some women, including most notably married women with higher educational qualifications, do not or can not work for pay after the interruption of full-time paid employment, female labour force participation has changed little from 1975 to 1998.

The second characteristic is that gender wage differentials for both full-time and part-time workers have proved very resistant to change in Japan in 1975-1998. In Western OECD countries, partly due to the increased opportunities in service employment from the 1980s onwards, women steadily increased their hourly wages relative to men's. This is particularly marked in Anglo-American societies where most types of services are exchanged in the market. In Japan, by contrast, the new services that expanded since the late 1980s are limited to business services that provide jobs to men and young single women with high educational qualifications. This is strongly linked to the wage structures and employment practices in large sized firms in Japan. Women in general are left to self-employment or working in family owned (small size) businesses, where wage rates are relatively lower. Consequently, gender wage differentials are rigid in Japan.

Furthermore, in Japan, the relative wage rates of female part-time workers rapidly decreased in the late 1970s and continued declining in the 1980s and 1990s although part-time employment makes up a larger proportion of the total labour force every year. In West European OECD countries, female part-time workers also have lower wage rates than male full-time workers', but their relative wage rates are never as low as those in Japan. In the US, female part-time workers are paid significantly less than full-time workers, but the proportion of part-time workers is not increasing.

The third characteristic is that the total fertility rate in Japan has constantly declined since 1975 despite the fact that married women have not increased their labour force participation. The US, the UK, the Netherlands, Germany and Sweden experienced a rise in total fertility rates from 1985 to 1990, and after this period, total fertility rates either fluctuated slightly or declined more slowly than in Japan. The pattern in France, Spain and Italy was closer to that of Japan, that is, a rapid process of decline. The key point is that the Japanese experience adds an exception to the predicted changes in fertility; for rapid decline in fertility rates is accompanied elsewhere with increased participation in the female labour force. This is not the case in Japan.

Part II Current Analysis and Alternative

Chapter Two

Gender Inequality in Neoclassical Theory

1 Introduction

Human capital theorists work within the basic model of neoclassical economics. In its basic form, orthodox neoclassical economic theory takes individual preferences as exogenously given, randomly distributed, and fixed over time. Rational individuals with perfect information make choices that are efficient not only for themselves, but also (under the assumption of perfect markets) for society as a whole.¹ This gives no weight to collective identity (for example, altruism amongst people who share common characteristics or goals); this, in turn, makes collective action unlikely or at best, unstable (Becker 1991; Cigno 1991).

Relatively few economists today endorse this pure model. Most economists today, including statistical discrimination theorists and theorists of efficiency wages, concede the possibility that markets can be imperfect, that information can be limited, and that preferences may be culturally shaped. Their amendments to the basic model greatly increase its applicability.

Nevertheless, they do little to redirect attention away from an emphasis on the efficiency of individual choice (Folbre 1994). Consequently, most empirical research within neoclassical theory deploys data on relative income and prices to make predictions regarding choices, assuming that individual decisions basically

¹ Perfect markets means that markets have an infinite number of economic agents that compete with each other and that they make economic agents who offer the lowest possible price stay.

reflect individual preferences. This chapter examines the three versions most used by Japanese economists: human capital theory, statistical discrimination theory, and the theory of efficiency wages.

2 Human Capital Theory

2.1 Sexual Division of Labour and Women's Paid Employment

Human capital theorists see the sexual segregation of employment and the tendency for women to engage in lower paid jobs as reflecting women's 'choice' for marriage and children. As a result of women's decision to specialise in non-market production, women have lower levels of educational qualifications and work-related skills and hence earn less than men (Becker 1985; Pollachek 1981, 1995). Gender job segregation therefore takes place both because men and women choose different jobs, and because women take responsibility for care work in the household. Human capital theorists stress that women, not men, will choose to interrupt paid employment for the family, and that this taste regarding paid employment creates occupational gender segregation (Becker 1985). Women are concentrated in the low paid jobs in which they do not need to invest as much time and effort (Polachek 1984, 1985, and 1987). Becker speculates that because of their domestic responsibilities, women exert less intense effort on paid employment, saving their energy for domestic pursuits.

Human capital theorists expect that once women make an equal investment to men in developing their human capital, gender wage differentials will disappear. Once women attain the same skills through higher education as men, the

service economy which requires skilled labour will increase the proportion of female workers. Employers tend to prefer hire skilled female workers to skilled male workers if women's wage is lower than men's. Gender inequality at work will disappear in the process of technological advance. White-collar jobs require specific knowledge such as Information Technology (IT) skills rather than the physical strength demanded in blue-collar jobs. This makes it rational for employers to hire women as well as men if women have higher educational qualifications (Goldin 1995). According to human capital theory, technological advancement enables highly educated women to move into high-paid positions alongside their male counterparts. Technological advance will thus have particularly favourable consequences for women, and will reduce gender inequality.

According to human capital theorists, women, as individuals, make efficiency choices in order to benefit themselves and their family financially. When women have lower rates of participation in paid employment, this is because the gender division of work within the family is efficient. Women make decisions which lead to an efficient outcome for them and their family.

Theorists of human capital, most notably Becker (1976, 1981, 1985, and 1991) and Mincer and Polachek (1974), focus on the household side of both the labour supply and the gender pay gap, using a traditional neoclassical model of family decision-making. This takes place in a context where the wife and husband possess unequal amounts of human capital, such as qualifications, skills and experience. As long as women have a smaller amount of human capital (i.e. lower educational qualifications, skills and experience) and lower expected wages than men in the market, it will be more efficient for a wife to specialise in unpaid care

work at home and for a husband to specialise in paid work in the market (Becker 1985). 'Efficiency' in this context means that the combined income of a husband and wife is optimal when the husband specialises in paid work and the wife in unpaid care provision for the family. Women will only close the gender wage gap and reduce occupational gender segregation if they increase their experience in paid employment and educational qualifications. But as women increase such experience relative to men, their wage rate increases faster than their productivity increase at home, and as a result, women's participation in paid employment should increase (Goldin 1990).

Human capital theorists argue that if empirical differences in earnings between women and men can be explained by differences in skill, qualifications or work experience then this is to be seen by these theorists as a return to human capital which reflects a (genuine) productivity difference rather than a gender bias. They argue that such gender earnings differentials reflect the difference in possession of employment-related skills, qualifications and work experience, which differ significantly by gender (Polachek 1995: 66). Polachek (1975a, 1975b) decomposes various factors that can determine the wage in the US; the determinants are sex, age, years of in education, years of paid employment and marital status. In his later work (1995: 69), he argues that most of the gender earnings differential is explained by the fact that women, particularly married women, possess less educational qualifications and work experience; between 30 and 48 per cent of gender wage differentials for the US is, in his view, explained by schooling and experience. These two can be the largest factors causing wage differentials between groups (Ehrenberg and Smith 1994: 400).

But why then does the acquisition of employment-related skills,

qualifications and work experience differ largely by gender? The standard explanation is due to the interruption to women's paid employment for physical reproduction, both directly and indirectly (through expectations of a different life-course) leading to gendered patterns of human capital formation. Polachek (1995: 69) argues that expected lifetime labour force participation explains between 63 and 93 percent of the gender gap. One marked factor relating to women's labour force participation is women's interruption of paid employment for child rearing. Becker (1991) and Polachek (1995) argue that women with higher educational qualifications face a larger negative impact on wage prospect than women with lower educational qualifications because the more educated exhibit the largest depreciation rate in marketable skills, as do those in more technical and managerial type of occupations. Married women with higher educational qualifications are, then, paid less after re-entry to labour market as their skills may have become obsolete during the interruption for child rearing.

Human capital theorists assume that women interrupt paid employment and invest less in marketable skills and experience because of their biological difference from men (Becker 1985, 1991). For example, Becker explores the sexual division of labour as follows.

Although the sharp sexual division of labour in all societies between the market and household sectors is partly due to the gain from the specialized investments, it is also partly due to intrinsic differences between sexes.....Women not only have a heavy biological commitment to the production and feeding of children, but they also are biologically committed to the care of children in other, more subtle ways. Moreover, women have been willing to spend much time and energy caring for their children because they want their heavy biological investment in production to be worthwhile. ...

Men have been less biologically committed to the care of children, and have spent their time and energy on food, clothing, protection, and other market activities...(Becker 1991:37-38).

Since the biological natures of men and women differ, the assumption that the time of men and women are perfect substitutes even at a rate different from unity is not realistic. Indeed, their times are complements in sexual enjoyment, the production of children, and possibly other commodities produced by the households with men and women are more efficient than households with only one sex, but because both sexes are required to produce certain commodities produced by the household... Since specialized investments depend on the allocation of time, the investments of men and women more strongly reinforce their biological differences when differences in comparative advantage are larger and complementarities weaker (Becker 1991: 39-40).

Polachek (1995:71) defends his analysis of the sexual division of labour by quoting his early work.

Investment must be motivated by economic returns. Being shackled with home responsibilities, either by one's own choice or for some other external reason, does not bode well for providing sufficient economic incentives for women to invest at least comparable to men. Whereas I have not researched why there is a division of labour in the home which causes this gendered dichotomy, I do note societal and governmental forces at work.

From a societal perspective women are inevitably younger, and at least in the past less educated, than their husbands, thereby causing a male comparative advantage towards specialization in labour market activities (Polachek 1975b).

On this basis, human capital theorists argue that women are not discriminated against in the labour market. In order to support this, they point out that not all women are paid less by employers, and that they are paid as much as male counterparts if they possess the same market-related skills and experience. Polachek (1995:66) points out that younger single women who are as highly educated as their male counterparts face a much smaller gender earnings differential; single women earn more than 90 per cent of male earnings in Germany, the UK, and the US (Blau and Kahn 1992: 534). This trend is the same in all Western OECD countries (Goldin 1995) and human capital theorists anticipate a similar development in non-Western industrial countries.

As they see no significant discrimination against women, human capital theorists argue that policies such as equal pay legislation have limited application (Roback 1986; Paul 1989). Some of the gender wage differential undoubtedly arises from past discrimination against women by educational institutions: educational institutions did not admit women to certain programmes, or counselled them in different directions from men. But employers are not responsible for this (Williams and Kessler 1984; US Commission on Civil Rights 1984). As discrimination in hiring is generally costly to employers, it is on the contrary sensible to hire qualified women and ethnic minorities equally with their white male counterparts (Rector 1988; Paul 1989). If there is an appropriate policy initiative to reduce gender inequality at work, the best approach might be to provide women with assistance in their home-related activities, because it is their responsibilities at home that apparently discourage women from pursuing their career in the labour market.

2.2 Fertility Decline

A similar explanation applies to changes in fertility rates. Because the growth of the service economy demands persons with high educational qualifications in white-collar jobs, having children becomes more costly for people with such qualifications; technological advance changes the relative costs and benefits of having children (Schultz 1969; Becker and Barro 1988). The loss of earnings to qualified women who give up work to care for children becomes higher, while the premium now attached to educational qualifications simultaneously increases the educational costs associated with having children. Thus, a service-based economy increases women's paid employment while it decreases the number of children in society.

The most influential explanation for the effect of changes in social and economic structures on fertility behaviour derives from Becker (1960). This treats children as analogous to consumer durables. Some orthodox neoclassical economists apply rational choice theory to fertility decline, and argue that fertility rates reflect the rational decision-making of the household as a response to changes in relative prices (Schultz 1969; Becker and Barro 1988).

First of all, Becker (1960) reasons that under industrialised conditions, the net costs of having a child are positive. Thus, people would have a child only if doing so led to a non-specific commodity such as a good, which is valued for its own sake. Under industrialised conditions, wealth maximising individuals would have no children; people who nonetheless choose to have children must be acting on the basis of some value other than maximising wealth. If children are immanent goods whose desirability is subject to a budget constraint, the number of children

that parents demand should be a function of their income. The higher their income the greater the number of children they should desire, *ceteris paribus*. The bulk of evidence, however, suggests that family size relates negatively to parents' income in developed societies (Friedman, Hechter, and Kanazawa 1999). Becker suggests that access to contraceptive technology is correlated positively with income, and that this obscures the true causal relationship between income and family size.

After Becker's work, Schultz (1969) created an orthodox rational choice model in his empirical study of Puerto Rico where the household, presumably the head of household, enacted rational decisions leading to changes in fertility rates according to changes in migration, labour force participation and marriage practices. As technological change increases the demand for women's labour, it also increases the opportunity cost of time devoted to child rearing. As technological change also increases the pressure to invest in education for children, the costs of young children increase. Fertility decline is arguably the household's response to changes in relative prices. In Schultz's model, parental altruism is exogenously given and constant over time, whatever economic and technological changes take place. Accordingly, the more opportunity for paid employment women have outside the household, and the larger the costs the household pays for young children, the smaller the number of children the average household will have.

Becker revised his argument by weakening the analogy between children and consumer durables. Children remain treated as consumer durables providing immanent goods, but unlike automobiles and refrigerators, they are time-intensive (Becker 1981). Becker and Barro (1988) portray the costs of children as consumption goods by paying attention to time spent on children.

Because of this revision, the opportunity costs of having children are affected crucially by shifts in the values of parents' time. The value of time would appear to be rather easily measured. It increases as the wage rate shifts upward. If this change takes place, Becker's approach can derive the following empirical implications. If children are more time-intensive than the average consumption commodity, and if the real value of a persons' time increases, then the price of children will increase in relation to other goods. Schultz (1986) argues that some other cheap goods will substitute partially for children within parents' budget constraint, which is defined through time and goods. Further, if child care is more intensive for the mother's and father's time, and if the value of women's time increases relative to the value of men's time, then children will be more expensive and fewer of them will be sought.

It is important to note that this is embedded in a certain type of family value (Becker 1981; Becker and Barro 1988). Human capital theorists assume that individuals seek the highest level of utility operating by self-interest in the market and altruism in the household. Becker (1981: 173) argues that a male household head can act as a benevolent dictator, with the other family members being what he terms a 'rotten' wife and kids incapable of making efficient decisions. He argues that even a selfish "rotten" spouse or child will be induced to "behave" because the altruistic household head reinforces others in the household to follow his decisions. The patriarch is conceived as an altruist who knows the needs of the other members of the household and can make decisions on their behalf (Becker 1976, 1981). This argument has led to the creation of the 'Rotten Kids' theorem. As Becker points out, 'rotten kids' who act against the patriarch's decision – for example, by taking on the 'wrong' kind of jobs - will be worse off than when they act upon the decisions of a

benevolent patriarch who maximises the joint utility of the family. This controversial assumption has attracted various criticisms, which will be discussed later.

Because Becker's approach focuses on value in pecuniary terms, it cannot explain the case in which parents set a value on having children that outweighs the value in pecuniary terms (time and income) they give up by having children. In order to adjust the model, Becker (1996) and Becker and Murphy (2000) argue that individual preferences and social values develop through their past experiences and social influences from personal and social capital stocks. They apply this to accessing the effects of advertising, the power of peer pressure, the nature of addiction, and the function of habits. This modifies his assumption regarding a gender division of labour that not only biological difference but also gender difference in experience may cause a sex division of labour. This adjustment allows their model to deal with a gender division of work as endogenous while it still does not fully explain why men and women have different experience and eventually possess different capital stocks.

Female participation in the labour force initially falls at early stages in development and then rises as economic development exceeds a given threshold (Goldin 1990; 1995). The more advanced the technology, the more skills workers need, thereby encouraging women to have a white-collar job in the service economy. This occurs because educational qualifications play a major role in an advanced service economy. The history of women's advancement in obtaining educational and vocational skills and employing these productive talents in the home and labour force starts with the experience of countries that have industrialised first, in Western Europe and areas of European settlement. Education

and the emergence of a white-collar sector have played important roles in fostering the paid employment of married women (Goldin 1995). In particular, married women with higher qualifications can obtain jobs that are as highly paid as those of their male counterparts.

The greater the opportunities for obtaining paid employment and the more the costs of having children rise, the more married women are discouraged from having children. The fertility rate, then, gradually declines as services expand and more married women gain higher qualifications. Despite the fact that they are different in some respects, Western OECD countries have experienced a similar pattern of economic development and gender inequality, and this is expected to happen in a similar fashion everywhere.

3 Statistical Discrimination Theory: Labour Demand

Statistical discrimination theory amends the assumptions of human capital theory and applies them to the demand for labour (Stigler 1961, 1962; Arrow 1974; Diamond and Rothchild 1989). It has analysed gender discrimination as the consequence of employers' rational choices that do not necessarily match women's real possession of human capital. This theory was developed from the basic model of neoclassical economics, in this context, Becker's analysis of the 'taste' for the discrimination, and adjusted to take account of the limited information available to employers as buyers of labour. Since employers cannot directly observe the attributes of their workers, they may assume that most women will have a preference for leaving wage employment sooner than men in order to marry and raise children; this tendency is an attribute of a 'female' worker.

In the pure theory of neoclassical economics, employers have no incentives to discriminate against women in employment. Rather, in a perfectly competitive labour market, employers should seek to hire workers at the lowest possible wage per unit of output. If employers have a 'taste' for discrimination against women, this lowers the demand for their labour, and other employers who have no distaste for women would then seize the competitive advantage. So, in a perfectly competitive market, even if some employers have a 'taste' for discrimination against women, other employers will demand women, and this will bring the price of female labour back to its market price (Becker 1957). In Becker's analysis, employers, workers and customers may indeed have a taste for discrimination.² Following the usual assumption of neoclassical economics that tastes are exogenous to economic models, he saw this as a result of pre-market factors.

However, such discrimination may also emerge because employers obtain limited information regarding the quality of workers. Becker's taste discrimination model is based on an orthodox neoclassical model, in which the market is perfect, information is perfect and preferences are exogenously given. The key insight of statistical discrimination theory is that it is costly to gather the information relevant to decisions. Discrimination may then persist against the predictions of basic neoclassical economic theory. First, when a few employers dominate the market, they can select their workers from many applicants (Madden 1993). Second, because limited information is available on applicants, employers use data regarding the group that the applicant belongs to when they decide to hire them

² Becker originally referred to racial discrimination, but his discussion is applicable to gender discrimination.

(Arrow 1972; Phelps 1972).

In statistical discrimination theory, employers are said to employ an average taken from the variances of achievement tests for selected skills by gender and race group, because it would be too expensive and impossible to obtain full information on each individual (Arrow 1972; Phelps 1972; Thurow 1975). Thus, in selecting candidates for employment, the employer uses the group average of productive capacity, such as the group average of the skills in achievement tests. The employer prefers members of the group with higher average figures. Given limited information, such discrimination is efficient.

Women allegedly have higher turnover rates than men (Landes 1977; Barron, Black and Loewenstein 1990; Kuhn 1991); they are, on average, more likely to leave a job for family reasons or to prefer shorter working hours due to the responsibilities of their family. Statistical discrimination theory argues that in the light of these averages, it is rational for employers to segregate women's jobs from men's. This is particularly so in jobs offering on-the-job training. If women do not stay as long, on average, as men, the cost of initial training per year is greater, and the net productivity of female workers becomes less due to their allegedly higher turnover rate. As a result, employers are said to be reluctant to hire women for jobs that require firm-specific training or skills; this means that demand for female labour increase little. Statistical discrimination theorists argue that employers' taste for discrimination against women is efficient in cases where they lack full information regarding the preferences of workers.

4 Efficiency Wage Theory

A further addition to this is the theory of efficiency wage. Efficiency wage models provide one possible explanation for wages being higher in some jobs than others in a way that is not accounted for either by statistical discrimination or the demands of human capital. The key insight of efficiency wage models is that paying higher wages may induce behaviour in workers that increases rather than decreases profits. By offering an efficiency wage, the employer attracts high quality labour, encouraging workers to work hard, to stay with the firm and not to unionise. He is likely to offer efficiency wage to male workers and maintains women's relative wage to men's at the lower level.

Efficiency wage models differ from orthodox neoclassical economic models in asserting that such workers' behaviour is endogenous rather than exogenous to the wage. In this situation, it may be profit maximising for the employer to raise wages above the market-clearing level implied by the usual supply-demand model. Wages will be raised as long as this leads to a revenue increase greater than the cost of the wage increase.

One efficiency wage model is the shirking or effort elicitation model (Shapiro and Stiglitz 1984; Bowles 1985). Even with minimal surveillance, workers know there is a probability of losing their jobs for shirking. If they are paid more than they could make at other firms, they will have a motivation to avoid shirking so as to avoid the wage drop they would experience if they were caught and fired.

A second efficiency wage model focuses on turnover (Stiglitz 1987). Here, above-market wages lower turnover. This reduces the costs that firms expend in

screening and training new employees. This model suggests that above-market efficiency wages will be found in occupations, industries or firms where hiring and training costs are larger.

A third efficiency wage model is the gift exchange model (Akerlof 1982, 1984). In this model, workers perceive a wage above the market-clearing level as a gift and as compliance by the employer with norms of fairness. This increases both workers' morale and their effort. Akerlof's model is different from other models of efficiency wages since it assumes that economic actors are not entirely selfish, but may demonstrate some altruism among both employers and employees. If employers in all sectors benefited from the gift exchange efficiency wage to an equal extent, the notion would have little relevance to explaining why some jobs pay more than others. However, workers' norms of fairness may include the notion that firms can pay higher wages when they have a higher profit level. If so, then firms with a higher profit level will gain more in workers' morale and productivity from paying above-market wages than other firms (Katz 1986).

Efficiency wage theory, then, provides one possible explanation for persistent inter-occupational, inter-firm, and inter-industry wage differentials that cannot be explained by differences in human capital or compensating differentials. Efficiency wage theory argues that above market level wages induce workers to work harder, and produce efficiencies for the firm even when it pays higher than the market wage.

As will be clear, all the above explanations focus on the 'rational' choices of women and families regarding women's paid employment and fertility, and the 'rational' choice of an employer regarding hiring and rewarding workers. Statistical

discrimination theory and the theory of efficiency wages amend the assumptions of neoclassical economic theory and thereby increase its applicability. However, they do little to redirect attention away from emphasis on the efficiency of individual choice (Folbre 1994). I now turn to the limitations of this approach.

5 Critical Assessment

Alternative perspectives to neoclassical economics have expressed considerable dissatisfaction with the assumption of the standard model of neoclassical economics theory (England and Kilbourne 1990; Folbre 1994; 1998). Human capital theorists follow the pure model of neoclassical economic theory, whereby a rational person makes choices in which preferences are independent of each other; where collective actions of any group of people sharing characteristics or goals are unlikely; and where preferences are randomly distributed. Alternative perspectives do not suggest that individual choices are unimportant, or that people have no agency or effectiveness in changing the social world. However, the nature of individual choice needs to be understood within a broader framework.

Critics argue that the basic model of neoclassical economics theory is problematic in the following three ways. First, it employs a problematic assumption regarding individual preferences; second, it pays too little attention to power relations amongst agents; and third, it barely addresses interaction between individual preferences and power relations. They suggest that these shortcomings are even more serious when the standard model deals with the family. Critics argue that these approaches provide insufficient explanations for gender inequality at work and fertility decline, both theoretically and empirically.

5.1 General Critique from Alternative Perspectives

5.1.1 Interdependent Preferences

Critics argue that the most problematic factor is the assumption that people's individual preferences are independent; and that individuals who are perfectly selfish outside the home, are nonetheless perfectly altruistic inside the family. England describes the neoclassical economic model in the following way.

I call the neoclassical economic model 'separative' because it presumes that humans are autonomous, impervious to social influences, and lack sufficient emotional connection to each other to make empathy possible. This is how they are presumed to behave in 'the economy' or 'the market'. A more implicit assumption in many neoclassical economic models is that individuals do not behave according to the separative model vis-à-vis their families. In the family, individuals (particularly men) are presumed to be altruistic. Thus, empathetic emotional connections between individuals are emphasized in the family whereas they are denied in analysing markets. (England 1993:37).

Because neoclassical economic theory evolved for market analysis, it is particularly inadequate in its analysis of the family, which includes agents, such as children and the elderly, that do not fit well with a theory based solely on the market. One recurring criticism is that the theory treats the value of children and childcare work simply in order to compare these with the value of paid employment in pecuniary terms alone (Folbre and Hartmann 1988; Folbre 1994).

Feminist scholars argue that neoclassical economists pay insufficient attention to the fact that utility can be interdependent between groups such as care

providers and the cared-for, and between members of other types of collective groups than the family (Folbre 1986a: 8; Folbre and Weisskopf 1998; England 1993: 41). Becker's ordering of preferences is, then, problematic because it misses the fact that individuals act according to multiple self-identities, some of which are stronger than others. In his analysis of how individuals make decisions by mixing their preferences in major and minor choices, Becker does not distinguish major from minor decisions. Folbre (1986a: 8) argues that this treats all choices as if they were related to the choice of a commodity, and that this obscures the nature of the relation of a mother to her children. By ignoring interdependent individual utility, the neoclassical model takes too little account of the role of emotions behind preferences, and the way these affect material resource allocations (Folbre and Hartmann 1988).

Such interdependent preferences, to some extent, relate to the social norm of 'female' carers. A female carer may internalise her role, but the role is given to her socially by norms that operate through her sense of responsibility (Folbre and Weisskopf 1998). These social norms, combined with their emotional attachment to their children, mean that mothers tend to prioritise decisions regarding care work for their family members; these decisions often relate to the death and birth of those cared for (Folbre 1986a).

Moreover, people form emotional ties not only in the family, but also outside it through collective identities. Assuming selfishness in the market is not merely a 'male' model of self that fits women less well (England 1993: 46); it also fails to take account of what may be termed men's altruism in market behaviour, which can itself work to the disadvantage of women. Elster (1979) and Sen (1987) argue that when people engage in collective action, a kind of *selective* altruism may

be at work, at least in the initial stages. Some level of altruism among members of social groups or “teams” is very much in their collective self-interest, and a large literature now describes the role that altruism plays in solving the class co-ordination problems represented by the prisoner’s dilemma (Collard 1978; Stark 1995; Folbre 1998: 62; Reskin and Roo 1990). This suggests that individuals are neither entirely altruistic at home nor entirely selfish in the market, because they connect to each other through emotions.

5.1.2 Power Relations

Feminist scholars also argue that power relations enable men to coerce women into the traditional gender division of work; if so, it can hardly be said that the male household head is ‘altruistic’. According to Becker’s rotten kids theorem, the male household head allocates the collective resources in the household in ways that are efficient for all. If a ‘rotten’ wife and kids act against his collective decisions for the family, they will hurt themselves by experiencing loss. So, wife and kids eventually follow the collective decisions of the family. Nevertheless, Folbre (1996: xv) points out that if the male household head is not benevolent, his decisions are not as efficient as Becker predicts. It is necessary for Becker’s model to prove that a male breadwinner is truly more benevolent than other members in the family. If he is as altruistic as Becker argues, his allocation of resources is fine for all the members within the family. But unless proved, Becker’s model does not sort out the problem of distribution within the household (Folbre 1982, 1986b; Folbre and Hartmann 1988).

It is particularly ironic that altruism, often thought of as more typically

'female', is here credited to men (England and Farkas 1986: ch.3 and 4; England 1989). Though some neoclassical economists are now beginning to explore the possibility that women are more altruistic than men (Eckel and Groaaman 1996a, 1996b; Seguno, Stevens, and Lutz 1996) this has not so far been taken sufficiently into account in the neoclassical economic paradigm.

Importantly, power relations cause conflict between agents when they pursue self-interest, but they may hardly emerge in clear form; conflict may come into effect via social norms, which, in turn affect the power relations in the family. Groups of people with unequal power act as a group and create social constraints through collective action. Some in the stronger group are less restricted by social constraints and act according to individual preferences that reflect desire (Folbre 1994). However, other groups of people are more restricted by social constraints, and have to take greater account of others' needs in forming their individual preferences. These social constraints restrict individuals differently by gender, age, sexual orientation, class, race and national context (Folbre 1994). Through such attributes of the agent, social constraints are organised within uneven power relations of agents.

For example, families, like firms, have an authority structure and a division of labour. By custom and law, older men are often designated household heads. Custom and law are the outcomes of previous collective actions in which older men were actively involved, but not women and children. Such customs and laws help the household head maintain the clear sexual division of work in the family because men have a better bargaining position than women in the customs and laws outside the family (Agarwal 1994). Thus, by way of social constraints, the power relations of agents outside the family can affect agents within the family

when they form individual preferences.

5.1.3 Normative Interaction

Finally, critics have argued that individual choices are made via preferences that are interconnected with social constraints (Folbre 1994; Ferguson 1996; Kuran 1995). Individual preferences ‘interact’ with power relations because personal preferences are formed within social constraints that are themselves ordered by power relations. In this interaction, social norms play a significant role. Social norms assist powerful agents in maintaining the present form of social constraints because they make people believe that they are given and constant.

Conflict may arise because the social norms require women to provide unpaid care services for the family. When the social provision of care services is inadequate, this increases pressures on women to take up the unpaid carer role for their family. As women take up the carer role, social norms on gender are strengthened. Nelson (1999) points out the cyclical nature of women’s unpaid care provisions. She argues that people’s preferences do not necessarily reflect their own desires, but may reflect the ‘needs’ of others; women are possibly more likely to be sensitive to such needs than men. Such ‘needs’ arise not only out of the intrinsic nature of the person, but also out of social constraints; as Folbre and Weisskopf argue, these may be institutionalised in law.

Traditional patriarchal societies stipulate property rights that seriously constrain of women’s choices to specialize in anything but the provision of care services to family members. Women are denied access to the acquisition of non-home-related skills and limited to the least remunerative form of work. Until the mid-twentieth century, men in

most countries had the legal right to prevent their wives working outside the home. They retain that right in some countries today. Explicit rules can give men control over women's caring services. A late nineteenth century Prussian law gave husbands the legal right to specify how long their wives should breast feed (Bebel 1971). Even today, most legal traditions define the marriage contract in terms that are disadvantageous to wives, mothers, and children. Contrary to the concept of partnership, they are denied any specific claim to the income of a husband or father and are legally owed nothing more than subsistence support. Wives often lack any explicit protection from physical abuse or rape within marriage.

Why did such gender-based property rights evolve? Their historical importance challenges the conservative assumption that women's specialization in the provision of care services reflects nothing more than biological instincts, God-given duty, or comparative advantages. If women had voluntarily agreed to such extreme specialization, it would have been unnecessary to establish such coercive gender-biased rules. Evidence suggests that men have engaged in rent-seeking behaviour designed to lower the costs of caring services... (Folbre and Weisskopf 1998: 182-83).

The implication is that neoclassical economists wrongly take individual preferences as exogenously given and constant over time, with individual choices directly connected to preferences (Folbre 1994; Pollak and Watkins 1993). Some argue that this assumption may deflect attention from the social construction of human desire, the very notion of which remains underdeveloped by theorists ignoring the emotions and focussing entirely on the cognitive processes of calculation (Folbre 1998: 62; Nelson 1999). Folbre argues that people are often blinkered with regard to factors such as gender, national context, race, class and

other aspects of group identity, and may be unable to think systematically about the positioning of these in the social hierarchy.

Kuran (1995) argues as follows. People are reluctant to disagree with one another, and as a result, may distort their individual preference to bring it in line with group preference, being guided by opinion leaders in the group. He shows that social norms may play the role of opinion leader and can mould individual preferences to collective preference. The power of suggestion and “consensus” may be so great that it influences the outcome of single cognitive experiments. One example he gives is where people are asked to judge the relative length of two lines. An audience typically enjoys a success rate of 99 per cent, unless someone planted in the audience loudly and immediately pronounces an incorrect answer; this then has a significant effect on the accuracy of the group’s perception. This suggests that opinion leaders can significantly distort individual perceptions and, by extension, individual preferences.

Kuran’s insights can be applied of gender differences in the formation of individual preferences. Most feminist scholars argue that with the present social organisation of reproduction, married women, particularly those over the age of 35, are more restricted by their ‘need’ to take care of family members, and that these constraints are socially constructed. The greater assets one has, the greater the power one has to ask others to share such responsibilities. Most wives have limited power to do so. More importantly, social norms value women who act more altruistically than men, and this makes it even harder for women to act according to their individual desire (Agarwal 1994, 1997; Nelson 1999; Folbre and Weisskopf 1998). Women can then be said to form preferences based both on the needs of others in the family and on their personal desires, and they may have to choose

between these in making decisions. For a number of reasons, including altruism, intrinsic joy, a sense of responsibility, the expectation of an informal *quid pro quo*, a well-defined and contracted-for reward, and coercion, they may prioritise the needs of the others.

In combination, these arguments suggest that individual preferences are endogenous and subject to change over time. Moreover, due to uneven power relations between agents, weaker agents may be more likely to follow social norms in forming their individual preferences. This is most clear in Folbre's work, where she argues that people make choices but in the context of serious and often binding social constraints. Her argument does not suggest that individual choices are unimportant, for this would be to deny that people are agents who can change the social world. Individuals make decisions and act accordingly, but they make these choices within social constraints that favour some choices over others.

5.2 Specific Critiques of Schools in the Neoclassical Economic Perspective

The previous section suggested some general methodological shortcomings in the basic model of neoclassical economics, which has particularly informed human capital theory. This section focuses on more specific shortcomings in the analysis of gender inequality at work and of rates of fertility decline.

As already noted, some schools within neoclassical economic theory present gender wage differentials as a result of job segregation by gender, and fertility decline as efficient for both women and the family. Employers cannot directly observe the preferences of their workers; they must simply assume that most women have a preference to drop out of paid employment in order to marry

and raise children. As a result, they will be reluctant to hire women for jobs that require firm-specific training or skills. The rationale for gender job segregation is that it is efficient for the firm, women's relatively greater rates of turnover to men's being taken as evidence of women's different preferences.

Critics argue that these models pay scant attention to the gender structure of society as a whole (Folbre 1994). For example, employers and male workers may have an incentive to maintain their 'taste' for discrimination against women for reasons relating to their self interest and identity (Madden 1973; Hartmann 1976; Strober 1984). The gender structure at home and work is moulded not only by biology but also by a variety of collective actions, which affect women's decisions about paid employment and having children (Folbre 1994). These institutional factors are largely ignored in the neoclassical perspective. This section details critiques of human capital theory, statistical discrimination theory, efficiency wage theory, and the standard basic theory applied to the decline in fertility rates from an institutionalist point of view.

5.2.1 Critiques regarding Gender Inequality at Work

Critique of Human Capital Theory

The predictions of human capital theory have attracted most criticism because of contradictory empirical evidence on three points. Regarding the first point, it is evident that not only women's preferences, but also institutional arrangements, affect gender differences in human capital investment for on-the-job training. Some research indicates that it is the employer, rather than the women, who helps widen this gender job segregation by controlling job assignments for women, even when

they have the same qualifications as men (Corcoran and Duncan 1979; Barron, Black and Loewenstein 1990).

This is illustrated by the fact that female jobs are attached to shorter mobility ladders than male jobs, thus reducing women's possibilities for promotion (Smith 1979; Rosenbaum 1980; Bielby and Baron 1984; DiPrete and Soule 1988). Similarly, very few female jobs involve supervision of other workers (Jaffee 1989; Wolf and Fligstein 1979; Hill 1980; Ward and Mueller 1985). Because the employer, rather than female employees, controls the assignment of jobs and tasks, the employer helps widen the gender gap in experience (Bergmann 1986). This relates to the critique of statistical discrimination theory below.

The second point is that the pay for female jobs is less than for male jobs because the employer, in favouring male jobs, tends to give weight to the length of time in paid employment and assesses women's skills as being of lower value because they are different from those of men. There is substantial evidence that women's concentration in jobs with different kinds of skills affects the gender gap in pay. Net measures of job skills (i.e. sum of various job skills) or worth result in the pay for female jobs being less (Remick 1984; Rothchild 1984; Acker 1989; Orazem and Matilla 1989). For example, women are more often found in jobs involving social skills of nurturing. These not only have lower returns than jobs requiring other skills, but also the women may suffer a loss from these jobs when the costs of investment in occupational training are subtracted (Killbourne, England, Farcas, and Beron 1990; Steinberg, Haignere, Possion, Chertos, and Treiman 1986; Jacobs and Steinberg 1990; Steinberg 1990). Why are some skills more valued than others? It is suggested that men may simply place a higher value on job skills that they possess (England 1992: 35).

A third point is that if women are in traditionally male jobs, they do not experience wage depreciation during absence from the labour force (England 1992: 52). Polachek emphasises women's "depreciation" of skills as the cause of gender wage differences and job segregation. "Depreciation" refers to the obsolescence of job skills occurring during periods of homemaking that lead one to receive a lower real wage upon returning to employment than that held prior to leaving the job. However, most tests of this hypothesis have not supported it (Cocoran, Duncan, and Poza 1984; Abowd and Killingsworth 1983; England, Farcus, Kilbourne and Dou, 1988). These findings support the view that women are paid less not because they plan, as Polachek argues, to break from employment for homemaking but because they are in female jobs that are valued less than male jobs.

Because of the empirical evidence, human capital theory is often combined with further explanations to make sense of discrimination. It is important to recall that if women are discriminated against, they will have lower incentives to invest in human capital. Some of the gender wage differentials and segregation that have been explained by current gender differences in seniority or experience may be better explained by a past discrimination that led to women gaining less seniority (England 1992). This raises the question of the theoretical status of discrimination within the neoclassical economic perspective, as discussed below.

Critique of Statistical Discrimination Theory

Critics argue that the exclusion of women from better paid jobs acts as an encouragement for them to leave paid employment. Feminist scholars explore the gender segregation of jobs as discrimination against women by employers and male co-workers due to a need to maintain male interest and identity. Some studies show

that employers discriminate against women despite the fact that they satisfy the job requirements in all but gender (Rosen and Jerdee 1974, 1978; Levinson 1975; Rosen 1982; Milkman 1987).

In addition, employers foster gender discrimination through institutional inertia that perpetuates segregation. Doeringer and Piori (1971) argue this using dual labour market theory: the market for highly paid jobs is segregated from the market for low-paid jobs, where many women crowd in. Institutional inertia perpetuates this gender segregation. Social institutions have a pyramid shaped job hierarchy and employees often move from their first job at the bottom of the echelon to jobs in higher layers. Employees move upward in the echelon as if climbing up the ladder of jobs within institutions (i.e. mobility ladder). Such structured mobility ladders are named internal labour markets and England (1992) points out that many firms have them. The jobs at the bottom of the mobility ladder are filled up from outside, and as these jobs are considered entry-level jobs for new graduates, the competition is higher than for the jobs higher up the job ladder.

The segregation that occurs at the point of entry perpetuates segregation up the ladder and throughout the life cycle of each cohort of workers. While some jobs are a “dead end” from which one cannot be promoted, others lead to a sequence of jobs through which promotion is common. Women are crowded into dead-end jobs as a result of discrimination, with employers using women’s rates of turnover as their rationale for discrimination in job assignments (Bergmann 1974). Moreover, because there is an oversupply of women in the low-paid labour market, employers have leverage to set a low wage. As a result, gender discrimination benefits employers by saving on labour costs and gender segregation is maintained by institutional inertia.

A large body of empirical evidence suggests that women's higher rate of turnover is the outcome not only of women's choice, but also of pressures from employers and male peer workers. Indeed, some studies have indicated that women do not necessarily have higher turnover rates (Price 1977: 40; Waite and Berryman 1985; Donohue 1987; Lynch 1991). At first glance, this seems rather counter-intuitive because we know women leave the labour force for child rearing more often than men, but this apparent anomaly is explained by the fact that men change firms more often than women (Barnes and Jones 1974).

Women's turnover does not reflect women's preference for paid employment, since it is an endogenous factor rather than exogenously given. Employers can encourage women to leave a job. In general, workers of any sex, and any race are more likely to quit a job when it is low paid or has little opportunity for advancement (C. Smith 1979; Grounau 1988; Kahan and Griesinger 1989; Light and Ureta 1989). Thus, if women are placed in less desirable jobs due to discrimination, this could explain part of their higher turnover (England 1992: 33). Some studies suggest that these differences disappear, or reverse, after statistically adjusting wages or wage-related job characteristics (Viscusi 1980; Blau and Kahn 1981; Harber, Lamas, and Green 1983; Shorey 1983). This then suggests that the high turnover rate for women is, to some extent, endogenous rather than exogenously given, but this "chicken and egg" question is difficult to answer on the basis of statistical figures (England 1992: 33; Waite and Berry 1985; Donohue 1987; Lynch 1991).

It is in the interests of male co-workers, as well as employers, to keep women out of male jobs. Employers and trade unions allow male co-workers to constrain women in traditionally male jobs (O'Farrell and Haran 1982; Schroedel

1985). Men's motivation in this is either fear that the entry of women into their jobs will lower their wages, or that it threatens their sense of masculinity (Reskin and Roo 1990; Hartmann 1976). Furthermore, male workers also have control over a woman's job assignment when she enters a male job (O'Farrell and Harlan 1982). These cases indicate that male co-workers have a male group interest and act together in order to keep women out. Importantly, male co-workers have incentives to discriminate against female workers for their male identity as well as their interest (Reskin and Roo 1990).

Accordingly, both employers and male co-workers have incentives to maintain gender job segregation even if women satisfy job requirements as sufficiently as men. In fact, one can use statistical figures to rationalise discrimination against women.

Critique of Efficiency Wage Theory

The higher-than-market wage of efficiency wage theory represents an anomaly within orthodox neoclassical economic theory. The anomaly is that none of the inter-job lifetime wage differentials between workers in various industries, firms, or occupations, can be explained by human capital or compensating differentials (Doeringer and Piore 1971; England 1992: 87). Critics argue that men's higher-than-market wage discourages women from staying in paid employment, and that it may decrease the sum of productivity where both male and female workers' incentive to work hard is counted. They also stress that employers may offer men, and not women, a higher-than-market wage due to male collective action.

First, critics argue that due to men's higher-than-market wage, more

women than men tend to leave their jobs because losing a job is less costly for women. Employers pay lower wages to most women where they pay an efficiency wage for men. Some firms find it cheaper to reduce shirking by increasing wages, than by increasing the costs of surveillance. Nevertheless, if women incur less loss than men in losing their jobs, they forgo the higher-than-market wage for only the limited period while they are single. If workers in their middle ages and over are paid higher-than-market wages, they may continue working in the market. As this normally applies to male workers, they stay in employment for a long period of time. Women are, on the other hand, paid low wages from the beginning of their employment to retirement. This can discourage women from staying in employment. If so-called efficiency wages were applied to women as well as men, they might continue working as long as men. If it applied to both male and female workers, a higher efficiency wage would thus do less to deter women's than men's shirking (Bulow and Summers 1986; Aldrich and Buchele 1989).

Second, critics argue that when employers pay only men a higher-than-market wage, this is not only discriminatory against women, but also inefficient. Employers use men's lower rates of turnover as a rationale to pay a higher-than-market wage for men. However, if women's turnover rates are more sensitive to their wages than men's, this might be a mitigating factor distorting the rationality of statistical discrimination against women in these jobs. This is the case even if women are doubted to have a higher turnover rate on average or to have a variable turnover. The studies of Kahn and Griesinger (1989) and Blau and Kahn (1981) show that women have a greater wage elasticity of quitting than men. Thus, it is not clear that it is rational for employers to discriminate against women in jobs where they are trying to deter turnover (England 1992).

Third, critics argue that men's higher-than-market wage may be formed by men's collective action. The model of the gift exchange type of efficiency wage has more promise when it explains gender-related differences although Akerlof (1982, 1984) himself did not discuss this application. The model indicates that group norms will affect wage differentials since workers make more effort when they see that employers are following the norm. It follows that if prevailing norms are sexist then they devalue traditionally female jobs and skills, and the model predicts lower wages for female jobs. However, this is true only if women as well as men hold sexist norms, or if the male job efficiency wage increases men's productivity more than it lowers women's (England 1992: 89).

Accordingly, where such implications have been suggested, these hinge on assuming that women have higher turnover rates. Yet, we lack compelling evidence that women have higher turnover rates that are exogenous to discriminatory treatment by employers.

3.2.2 Critique regarding Fertility Decline

Critiques of Human Capital Theory Applied to Fertility Decline

Critics argue that Becker's fertility theory is also problematic as it uses assumptions based on the pure neoclassical economics model. First, Becker's explanation may be invalid unless parents treat children as durables comparable to some other expensive durable (Folbre 1986a, 1994). Becker's fertility theory does not sufficiently explain the way that people actually order their preferences between having children or not (Friedman, Hechter, and Kanazawa 1999; Folbre 1994).

Second, some economists argue that endogenous preferences, shaped by

the circumstances in which children grow up and assess their own well-being relative to their parents', influence family size (Easterlin 1966; Easterlin, Pollak and Wachter 1980; Pollak and Watkins 1993). Other economists, with a more institutionalist approach, emphasise that an increase in the relative costs of children is partly due to an increase in relative bargaining power within the family and partly the reduction of intergenerational income flow from the young to the old (Caldwell 1981; Folbre 1994, 1997). These economists argue that the reverse relation to that produced by human capital theory is also possible between the dependent variable, fertility rates, and the independent variables, such as migration, labour force participation and marriage. Such factors, treated as exogenous, can be endogenous when the household makes decisions regarding having more children (Folbre 1994, 1997).

Pollak and Watkins (1993) challenge the model of the rational actor with fixed preferences of orthodox neoclassical economists and introduce variable preferences, diffusion and culture to explain changes in fertility rates by using the Princeton European Fertility Project, a survey of demographic transition in Europe. They identify the diffusion of family planning practice, through mass media and informal networks, as a significant influence on fertility decisions. They argue that culture is a particularly important factor for an estimation of changing fertility rates, as it is the bundle of practices that can constrain individual preference and opportunity.

Economists with a more institutionalist approach argue that fathers have an interest in having fewer children than previously in industrial societies and that women's choices, based on instrumental value, are not solely responsible for fertility decline (Caldwell 1981; Folbre 1994, 1997). They argue that fathers shift

the costs of children to mothers, who cannot afford to have as many children as before due to financial pressures, and this is combined with a lack of support from the husband. Economic development weakens the power of parents over adult children and modifies traditional intergenerational income flow when examined in a historical context (Caldwell 1981). As paid employment for both men and women expands in the economy, this weakens male control over adult children and reduces the benefits of children to parents by setting up further exploitative relationships. Nevertheless, as the patriarch's control over the children is shifted, he avoids payment for the costs of children too.

According to this literature, the preference for having children is an endogenous, not an exogenous factor for the family and is affected by cultural as well as economic factors. Cultural factors do not act simultaneously with economic changes since people do not respond instantly or effortlessly to an increase in the costs of children, which are often difficult to anticipate (Caldwell 1981; Pollak and Watkins 1993). Folbre particularly emphasises that the motives for raising children are mediated by values, norms and preferences that are independently resistant to change.

6 Conclusion

This chapter has considered explanations of gender inequality at work and fertility decline from human capital theory, statistical discrimination theory and efficiency wage theory. Critics argue that the explanations these schools of economists give are subject to serious limitations. In spite of them, some neoclassical economists attempt to explain the Japanese puzzles through a combined model based on human capital theory and supported by statistical discrimination theory and the theory of efficiency wages.

Human capital theory alone is said to hold too closely to the basic assumption of the pure model: that the market is perfect, the information is symmetrical, and individual preferences are exogenously given. The development of this stresses that gender inequality at work occurs when employers have limited information on workers, or when it has become efficient to pay higher-than-market wages for men. Yet, as critics have argued, all of these approaches pay too little attention to the interdependent nature of individual preferences, to power relations between agents, and normative interactions between individual preferences and social norms.

The gender imbalance in human capital is partly socially created; too few employers select women for on-the-job experience; and employers attach lower value to aspects of human capital, such as abilities and skills in care work; that women are likely to possess. Far from being a rational response to women's high turn over rates, gender job segregation encourages women to leave their jobs, such that women's high rate of turnover is a consequence of gender job segregation rather than simply the cause of it. And rather than being an incentive to men to work

hard, higher-than-market wages to men can arise as result of male collective action.

Finally, fertility decisions cannot be understood simply in terms of changes in relative prices, but also as a reflection of cultural norms.

Chapter Three

Neoclassical Theory as Applied to Gender Divisions in Japan

1 Neoclassical Economic Theory in Japan

Most neoclassical economists in Japan follow human capital theory to explore the gender wage differentials, which they see as an inequality originating from gender job segregation. Some mainstream economists attempt to explore gender inequality at work and fertility change by creating a model that combines statistical discrimination theory and efficiency wage theory with human capital theory (Tomita 1988; Wakisaka 1990; Higuchi 1991). They combine this with other theories to fit the Japanese experience with Anglo-American experiences, and argue that the gender division of work at home and at work is efficient (Wakisaka 1990; Higuchi 1991; Machiko Osawa 1986, 1993; Yashiro 1995). Some of them (Wakisaka 1990; Higuchi 1991) stress women's preferences whilst others (Shinozuka 1982; Machiko Osawa 1986, 1993) pay more attention to employers' preferences.

These economists commonly base their views on two assumptions: one, that women prefer traditional marriage arrangements to paid employment (Wakisaka 1990: 137); and two, that the form of wage structure in large firms is different from and more efficient than the West. This last draws on the efficiency wage theory of Koike (1977, 1988 and 1991).

At first glance, the combination of models used to explain the Japanese case seems to fit the Japanese experience reasonably well. However, they have inherited the advantages and disadvantages of the basic neoclassical economic model.

2 Neoclassical Explanations of the Japanese Experience

This section explores the existing explanation of Japanese neoclassical economists as follows: Sections 2.1 and 2.2 explain the two common assumptions noted above. Sections 2.3 and 2.4 relate the explanation to the Japanese experience within neoclassical economic theory from the supply side (the family) and the demand side (the firm). Section 2.5 shows how some neoclassical economists explain the decline in fertility rate.

2.1 Women's Preference for Marriage and Unpaid Work

Most neoclassical economists assume that women's preference for marriage is exogenously given and constant over time. As an example, Wakisaka argues that women make choices about educational qualifications and paid employment, taking into account marriage arrangements, which are the most important (1990:112-35). He argues that women's preference is efficient for the family:

Productive women are trained in the firm and have a happy family after leaving a job (for marriage). These wives with higher qualifications do not directly contribute to society. However, they contribute to society indirectly by rearing good children and support the husband who works hard in the firm.... From the point of view of rational individual choices, it is efficient for a woman to become a high-paid worker who the employer evaluates as a 'good' woman, and it is efficient for the husband to marry her and make her specialise in home production and unpaid care work at home (Wakisaka 1990: 137).¹

¹ Translated from Japanese by the author.

Wakisaka's argument represents the way that neoclassical economists in Japan assume a strict gender division of work within the family. Wakisaka's view is that the present form of marriage arrangement in Japan is given and most efficient (1990: 180-82). He argues that highly qualified women choose highly qualified men as their marriage partners and that because their husbands earn above the market level of wages, these wives are less likely to have financial motivations to work for pay. Wakisaka stresses that even though the government encourages them, via its policies, to participate in paid employment, they may not continue working. He idealises the popular form of marriage arrangement in which the husband earns more than the wife, is older than the wife by two or three years and is taller than the wife.

In surveys in magazines targeting single women as their readers, women often respond that a 'compassionate' character is the most important factor when they decide on their marriage partner. In fact, women choose their marriage partner not by his compassionate character, but by his height, educational qualifications, and age. This tendency is the same for arranged marriages and romantic marriages. As the height and age of a marriage partner are innate attributes, the person may not be able to change. However, educational qualifications are acquired attributes that the person can change if he makes an effort to do so, and importantly relate to social status. The wife may have the same level of educational qualifications as her husband, but the husband tends to have educational qualifications from more established educational institutions than the wife. An example of this is that most wives who graduated from Tokyo University, the most established educational institution in Japan, have a husband with higher educational qualifications, and 80 per cent of them married a husband who also graduated from Tokyo University

(Wakisaka 1990: 125).²

Wakisaka suggests that if an employer is rational, he will pay higher wages to women who have the attributes of the 'ideal' wife, as skills for the ideal wife are similar to those for the ideal female worker. Wakisaka, then, argues that women with higher educational qualifications are better suited to the role of ideal wife. This makes women with higher educational qualifications more likely to leave their jobs even when they are paid relatively well because, according to Wakisaka, most women prefer a traditional marriage to paid employment. However, wives with higher qualifications continue participating in paid employment without interruption in three particular cases (1990: 181): first, in cases where they have 'mistakenly' married men who are less qualified; second, when they divorce a highly qualified husband; and third, in cases where the husband has an artistic or scholar-like job. Wakisaka states that these cases are so rare that firms should not expect them routinely.

Wakisaka puts strong emphasis on the form of marriage arrangement based on the strict sexual division of labour. He argues that employers, through the personnel officers in the firm, should advise single female employees with high qualifications, to help them find an 'appropriate' marriage partner who is supportive to encourage them to stay in paid employment.

² Translated from Japanese, by the author

Single women at the average age of marriage hardly see through the personality of their candidate for marriage since they are too young and not experienced enough. Thus, as the personnel clerks in the firm are more experienced, they should help them find marriage partners. These seniors in the firm should find a partner within the firm, because such husbands will be more helpful and understanding of their wife's job. However, this is not the case for managers who have frequent relocation of posts and need to change residence accordingly... Marriage is a personal matter and should respect individual choices. However, has the employer ever interfered in the marriage market (marriage match making)? The employer has helped men with high qualifications find matching marriage partners, hasn't he? Such 'caring' personnel management, i.e. interference in private life, assists male workers in forming the *status quo* as business elites, who compete hard with each other, but share something in common. The employer should expand this interference to highly qualified female employees.... (Wakisaka 1990: 182).³

Wakisaka suggests that employers should actively assist wives with higher qualifications to continue working for a lifetime, through interference in their private lives to find 'appropriate' husband for them. Wakisaka attempts to erase the line between the workplace and the family, to facilitate highly qualified employees to continue in their present job after marriage and child rearing. He admits that the firm functions to some extent as if it is the traditional family to male workers, but would also like some selected women to join this family firm. Wakisaka's view on the marriage arrangement is extreme, but most economists implicitly cite him in taking the present form of marriage arrangement as the given and efficient form.

³ The author translated Japanese text into English and added quotation marks.

What is particularly interesting here is that the neoclassical tradition, which does not officially recognise the role of social norms, here builds them into its understanding of the Japanese labour market.

2.2 Efficiency Wage Theory in the Japanese Context

As indicated, the majority of neoclassical economists in Japan cite Koike's efficiency wage theory (1977, 1988, 1991, and 1994). Koike (1994) stresses the importance of the worker's capacity to adapt to changes in tasks and cope with unforeseen events, such as machine breakdown, in distinction to the operational skills used to perform routine tasks. Koike has identified two types of work organisation: the separate system, in which standard operational tasks and problem-solving tasks are entrusted to different specialised workers; and the integrative system, in which two types of tasks are integrated in individual workers. Japanese firms fit the latter type of work organisation while US firms fit the former. He argues that male workers in large Japanese firms obtain firm-specific skills through their long service for the same firm and unofficial personnel network. According to this stress on capability, Koike argues that employers in large Japanese firms reward workers with higher than market level wages. He emphasises that the Japanese worker obtains more skills through experience in the same firm than is the case in the US.

Koike has long argued that the essence of what appears to be team-work or group-oriented behaviour at the Japanese factory is not so much collective, as an exercise of the individual's 'collective skills' in performing the non-routine element of tasks in the integrative system. He holds that male workers develop unofficial

networking to the extent that they can cope with any unexpected event that may emerge in the workshop by consulting others through their unofficial network. Koike argues that workers rely on a supervisor or boss, but that control over the worker is not as strong as in the US.

Koike's (1994) argument is a further development of Aoki's (1988) work. Aoki initially categorised firms into two groups: the US and Japanese type of firm. He argues that the US type functions through a relatively static command and control structure in a vertical communications network. The Japanese type is loosely connected with an ongoing developing horizontal unofficial networking that saves the firm time in sorting out minor day-to-day problems. He argues that this unofficial network is maintained by frequent reshuffles of workers across various fields of work. Through this reshuffling, workers in Japanese firms experience various jobs in a field, but are less likely to have specialised skills compatible with another firm.

Koike's efficiency wage theory, strengthened by Aoki's argument, is influential among economists in interpreting the nature of shop-floor efficiency within the Japanese firm (Aoki and Dore 1994: 2). Tachibanaki (1992), for example, thinks that male workers in large-sized firms possess a much higher level of skills than those in either Japanese small-sized firms or firms of foreign nationals on Japanese territory. Tachibanaki (1995) emphasises that lifetime employment for all men made no special allowances by way of occupational benefits for workers at the commencement of their employment in a Japanese firm in the late 1970s and 1980s. An unwritten agreement between employer and male worker in Japan, which is more a feature of large firms, guaranteed seniority pay and lifetime employment to all men during this period. This means relatively young workers did not expect a

pay reward equal to work done immediately, but accepted deferment of their reward until their mid-50s (Yashiro 1995). Consequently, young male workers have an incentive to work hard for the firm to get this return later in their working lives.

More recent authors argue that this style of management is efficient because it makes for strong competition among employees. However, concern has been raised over the ability of Japanese firms to sustain this incentive system during a period of recession, because seniority wage and lifetime employment contracts are designed on the basis of strong economic growth (Yashiro 1995; Kawakita 1997; Sato 1997).

2.3 Gender Inequalities for Women with Higher Qualifications:

Stressing Women's Individual Preference

Amongst Japanese neoclassical economists, Higuchi (1991), Wakisaka (1990) and Machiko Osawa (1993) focus on the work pattern of women with higher qualifications. They find that wives with higher qualifications tend to choose full-time unpaid care work at home, and argue that this is more efficient because their husband tends to be older, have a higher level of educational qualifications, and earn more. These economists stress that the costs of interruption to work are greater for women with higher qualifications than for women with lower qualifications. Both Higuchi and Machiko Osawa indicate that these costs are more for highly qualified women in Japan when compared to similarly qualified women in the US. According to them, even though an individual woman suffers loss of income on losing her job, wives with higher qualifications prefer marriage and child rearing to possible paid employment; this choice, it is argued, leads to an

efficient allocation of resources at the family level. Despite the fact that Higuchi, Wakisaka and Machiko Osawa provide slightly different explanations as to whose preference may affect the paid employment of women with higher qualifications, they have one point in common: women choose home production and unpaid care work at home over paid employment with or without gender discrimination.

Higuchi basically agrees with Wakisaka and Machiko Osawa in taking women's individual choices to be the cause of gender inequalities in the labour market. However, these three differ as they situate their work within different theories. Higuchi uses a model closer to human capital theory and Koike's efficiency wage theory. On the other hand, Wakisaka uses a model based on statistical discrimination theory with Koike's efficiency wage theory, and Machiko Osawa uses a mixed model of human capital theory, Koike's efficiency wage theory and Doeringer and Pore's dual market theory.

As they are based on different theories, Higuchi, Wakisaka and Machiko Osawa explain why women leave their jobs in different ways. Both Higuchi and Wakisaka argue that women in Japan choose to leave their jobs because they prefer home production and unpaid care work at home. They stress women's individual choice of marriage over paid employment, and argue that employers are indifferent about who they employ, although women are less likely to choose paid employment within the present conditions of paid work. On the other hand, Machiko Osawa emphasises employers' preference for discrimination against women and argues that women make choices by taking into account an employer's preference for discrimination against them. She argues that women are less likely to choose paid employment in response to gender discrimination at work.

Amongst these three scholars, Higuchi's argument is the most influential.

Higuchi applies the human capital approach, originally employed by Mincer (1962), to analyse the gender division of tasks and time in the labour supply in Japan; he combines this, however, with Koike's efficiency wage theory. Using raw data from the Employment Status Survey and the Female Employment Status Survey, he examines the pattern of women's labour supply in Japan, particularly wives' labour supply, and finds that wives with higher qualifications have a different work pattern from wives with lower qualifications. He contrasts the pattern of the Japanese female labour supply with the female labour supply pattern in the US to see in what ways these are similar or different.

Higuchi predicts that the female labour supply pattern in Japan will imitate the pattern of the US from the 1930s to the present day, but proceeding with a time lag behind the United States. Higuchi (1991: 65) found that women in the US have increased their labour market participation because of social and political changes, and quotes Easterlin (1980) and Goldin (1988). Easterlin argues that women in the US are more likely to participate in paid employment if they increase their educational qualifications, if they delay marriage and if fertility declines.

Following Easterlin and Goldin, Higuchi stresses the important role that economic interest plays in overcoming customs discouraging wives taking up paid employment. He prioritises the economic interest of the firm and, in line with the general approach of neoclassical economics, treats government policies and changes in structures of industry and demography as of secondary importance; he treats them as exogenous factors to firms' economic interests. On this basis, he examines how wives with different levels of qualification participate in paid employment. Higuchi predicts that the trend of female labour in Japan will follow that of the US, but finds that this is not the case for wives with higher qualifications.

Women with higher qualifications in the US continue working full-time without interrupting their paid employment during marriage and child rearing. In contrast to this pattern, Higuchi notes that highly qualified women in Japan tend to interrupt or leave paid employment for marriage and child rearing.

To explain this abnormality, Higuchi uses Koike's efficiency wage theory, asserting that it is efficient for firms in Japan not to hire women for high-paid jobs, as a lifetime commitment to work is important in them. He also implies that not hiring women is more efficient for the employer in Japan than would be the case in the US. For example, like Goldin, Higuchi argues that employers do not hire women with higher qualifications equally to their male counterparts unless they have a labour shortage. He stresses that until employers face a labour shortage and become eager to use highly qualified women, discrimination against women at work will persist. Higuchi insists that women with lower qualifications have greater mobility in entering and exiting the labour market, as part-time jobs are available to them: the same part-time opportunities are not available for those with higher qualifications.

To present an employer's discrimination against women as reasonable, Higuchi suggests that women, in general, have different incentives from men to work hard, even if they have similar qualifications. Higuchi argues that a wife's incentives to work are not determined by her qualifications but, rather, are affected by her husband's income (1991: 144-69). This view is consistent with those of the neoclassical institutionalist economist, Shinozuka (1982) and neoclassical economist, Katada (2002): Shinozuka also stresses this aspect of the individual decision with regard to wives' labour supply pattern while Katada views wives' incentives to work as different from the qualifications that they hold. She argues

that wives with higher qualifications prefer to work for pay only if they have non-pecuniary incentives to work hard.⁴ She contrasts highly qualified wives with relatively low-qualified wives, discovering that those with lower qualifications tend to participate in paid employment for family financial reasons. She presumes that wives generally prefer unpaid care work in the family, and that wives with higher qualifications will continue to work for pay only if the job also provides them with satisfaction in non-pecuniary terms; wives with lower qualifications will continue to work for pay for the sole reason that their family needs extra income. Katada suggests that marriage arrangements play an important role in this difference.

According to Higuchi's explanation, the Japanese firm is efficient as it rewards workers more by the length of uninterrupted time in paid employment than by qualification. Women, in general, are more likely to interrupt paid employment due to marriage and child rearing than men. As a result, gender plays a more important role than qualifications when employers assess women's incentives to work hard. Rational employers avoid assigning women jobs in the high paid career path of men. They treat highly educated women in the same way as women in general. Higuchi, thus, stresses that workers are selected first by gender and only second by qualification in Japan.

Combining this with human capital theory and efficiency wage theory in his model, he argues that gender wage differentials are slow to decline in Japan because of the striking importance of length of work in Japanese firms. The emphasis on the length of time in paid employment is consistent with the arguments of the neoclassical institutionalist economists, Shinozuka (1982), Okazaki (1988),

⁴ She illustrates this with the empirical results of the 'Chu-Shikoku Survey' (Regional Survey of Chugoku region of the main island and Shikoku island, both of which are located in the western part of Japan).

Tomita (1988), Wakisaka (1990) and Machiko Osawa (1993), all of whom also use Koike's efficiency wage theory.

If Higuchi had strictly followed human capital theory, he would have rejected any interference in the market regarding both individual women and employers. Instead, he advocates policy interference, arguing that paid parental leave for mothers and flexible working hours for mothers will encourage women to continue participating in paid employment without interruption. In his collaborative work in Waldfogel, Higuchi and Abe (1998), he argues that such policies are an effective encouragement for mothers to choose paid employment in conjunction with unpaid care work at home.

Wakisaka and Machiko Osawa recommend a more active policy than Higuchi in order to maintain the traditional provision of care work in the Japanese family. Higuchi is optimistic on the prospects for decreasing gender discrimination while Wakisaka and Machiko Osawa are more cautious. All argue that gender discrimination will persist unless policy alters the individual choices of women and firms. On this point, they are critical of human capital theory, for relying exclusively on individual choices within a *laissez-faire* policy.

2.4 Firms' Individual Preferences Influencing Women's Individual Choices

Some economists use a more neoclassical economic institutionalist approach. Based more on Phelps' (1972) and Arrow's (1974) statistical discrimination theory, Shinozuka (1982), Okazaki (1988), Tomita (1988), and Wakisaka (1990) argue that employers form a 'taste' for discrimination against women since women are on average more likely to leave a job for marriage or child rearing. They too draw on

Koike's (1977, 1988, and 1991) efficiency wage theory. Also to be included here are both Machiko Osawa (1993) and Yashiro (1984, 1986), who stress that rational employers in large firms are less likely to hire women for high paid jobs because they prefer to avoid risk. They argue that women over middle age lack work experience because they have had a shorter working life and a lifetime of family responsibility. They also argue that employers in Japan reasonably assign men and women to separate career paths, with all men on career ladders in high paid jobs, but not women.

On this basis, their argument supports the gender division of career paths from the first job assignment. Yashiro (1984) employs Koike's efficiency wage theory to examine the way that large firms form an internal labour market. He also adopts internal labour market theory which has developed outside the neoclassical economic perspective, as in dual market theory. In Japan, the Equal Employment Opportunity Law (EEO law), passed in 1985, and becoming effective in 1986, requires employers to provide equal jobs for men and women, *ceteris paribus*. However, since the EEO law was passed, large firms, particularly those in finance and insurance, have introduced two career paths for female workers in order to separate those who follow the male work pattern from others who follow the female work pattern that existed before the law: one is the same as for highly qualified men, requiring the incumbent to follow the male work pattern; the other is the female-only assistant's job, for which the pay is less (Lam 1993). Astonishingly, this had not been deemed illegal under the EEO law; though it has been challenged in a number of cases which I discuss in Chapter Seven. Before the early 1980s, employers in Japan strictly separated women from male career paths in which workers are successively provided with high-paid positions (Lam 1993: 202-3).

Yashiro displays the career hierarchy that is based on gender selection to form career paths.

Although Yashiro notes that some women enter a male career path, he pays little attention to the fact that all male workers are on a high-paid career path in large firms, but not all women. He insists that employers' preference for male workers is efficient. Yet, even though men have, on average, a longer time in employment than women, men's length of time in employment is not as constant as is suggested. One problem with the analysis is that it takes it for granted that men do indeed have an uninterrupted period in paid employment. Yet, as indicated in Chapter Two, men's length of time in paid employment is not as constant as it seems. Indeed, Higuchi (1991) notes that men, on average, had a relatively high rate of turnover in the 1970s, but that this declined in the 1980s. Some women have worked as long as their male counterparts, but have not been rewarded as well as men because employers push women into low-paid career paths without their consent (Miyaji 1996; Harano 2001; Ishida 2001). Since the EEO law was implemented, employers have openly selected women for lower-paid career paths, while only some women, but all men, are on high-paid career paths.

Since workers with higher qualifications spend a longer time in training, employers incur a larger loss when they leave a job. Thus, neoclassical institutionalist economists argue that rational employers do not provide women with high-paid jobs when in all likelihood they will leave a job much quicker than men. They argue that by hiring men, rational employers avoid losing their training costs, invested at the early stage of employment and that this is therefore efficient.

The neoclassical institutionalist economists admit that social constraints influence men and women differently and that such constraints may create a gender

difference in the time available for paid employment. Nevertheless, their central focus is on the market and the rest of the social structure is not taken into full consideration. In general, the neoclassical institutionalist economists prioritise self-interest in the market over other individual interests and the ideologies of other societal organisations. Japanese scholars within this paradigm tend to view gender inequalities in the household through a lens of economic efficiency. For example, Shinozuka quotes the argument of Komiya as a 'rational' explanation regarding gender discrimination and admits it is perfect rationality on the basis of efficiency.

'When we look at women's lower financial and social status, without discussing ethical values (on sex discrimination) such as 'good', 'bad', 'fair', or 'unfair', we should objectively pay attention to what discrimination is. From the employers' point of view, it is better (efficient) to hire men, and to maintain sex discrimination in pay, recruitment and promotion' (Statement of Komiya 1980; in Shinozuka 1982: 146-7).⁵

Komiya attempts to avoid discussing social values regarding gender inequalities, but this means the present form of employers' preference is taken as given. He accepts the concept of efficiency in the market, in which social values prioritise pecuniary gain. Most institutionalist economists hold a similar stance in spite of minor differences on policy implications. However, they fail to recognise the implication that their work reinforces the present form of social values. In this sense, institutionalist economists in Japan are not so different from human capital theorists.

Although Komiya developed his theory twenty years ago, it is still the most accepted explanatory framework regarding gender discrimination at work in

⁵ Translated from Japanese, by the author.

Japan, and is reflected in government policy and legal decisions. For example, the Osaka regional court accepted in 2000 an employer's defence of gender discrimination as 'fair' in the provision of high paid jobs based on statistical discrimination (Chapter Seven discusses this in detail). Other relatively recent authors - Okazaki, Tomita, Wakisaka, and Machiko Osawa – rely on both statistical discrimination theory and efficiency wage theory, insisting that although gender discrimination is negative for women, it is reasonable for employers to so discriminate. They argue that gender wage differentials are changing so slowly because it takes time for employers to update information regarding women's preference for paid employment.

Although similar to the human capital theorists, the institutionalist economists regard gender discrimination as problematic for human capital theorists and offer some policy implications for its reduction. From their ranks, Shinozuka applies statistical discrimination and efficiency wage theory to explain gender discrimination at work, but applies Doeringer and Piore's (1971) dual market theory to women's part-time jobs. In accordance with this, Shinozuka argues that gender discrimination is structurally created. She refers to the importance of social values and gender norms working behind social structure, but these are still located outside the discussion of her 'economics'. As a result, her policy implications stress the role of women's individual choices only.

Tomita (1988) argues that employers provide job rotation with residential mobility and opportunities of promotion, and that the more employers assign women to lower paid jobs, the more likely women are to leave their jobs. He examines the correlation between women's job upgrading and cross panel data, using Mincer's human capital approach. Through his findings, he suggests that an

explanation based on statistical discrimination theory does not fully fit gender discrimination at work in Japan. He implies that the employer should provide job rotation for women as well as men, though this often requires workers to live apart from their families.

As noted earlier, Wakisaka (1990) suggests that employers should assist women to continue working by marriage match making and providing maternity and parental leave, an approach that would increase women's participation in the labour market but also maintain the gender division at home. This is consistent with the policy implications of Higuchi (1991) and Waldfogel, Higuchi and Abe (1998), who suggest that society should provide maternity and parental leave. Such policies are argued to reduce employers' risk of losing the costs of training by hiring women instead of men. But Wakisaka and human capital theorists in Japan propose these reforms without going on to query the social values and norms of the marriage arrangement and the clear division of paid work and unpaid care work. Equally worrying is that Wakisaka advises employers to provide maternity and parental leave according to the skills that working mothers possess, in order to avoid 'free rider' problem in mothers' leave for childcare. He proposes that employers should allow only *hard working mothers* to take family leave.

Machiko Osawa (1993) expands dual market theory to apply to the gender career path of full-time workers, unlike Shinozuka who applies dual market theory solely to part-time workers. Both argue that social and political constraints restrict women's choices on paid employment and, as long as women prefer marriage and child rearing, rational employers will not provide them with equally high-paid jobs to men. Machiko Osawa points out that the application of efficiency wage only to men means that the employer pays a disproportionate amount of labour costs for

men. As a result, he wants women to be hired for jobs that do not require payment higher than the market wage. The employer maintains this job hierarchy by not hiring women at all for high-paid career paths. Machiko Osawa argues that employers have strong incentives to maintain their taste for discrimination against women, and suggests that gender discrimination will not disappear unless active policies are introduced. She proposes, firstly, that women should have opportunities to gain skills outside the firm; secondly, that the government should revise taxation and social security, such as pensions and health insurance, from its basis in the household unit to an individual unit, to encourage wives to become financially independent; and thirdly, that the government should provide maternity and parental leave, with paid public and private care facilities to assist women to participate in paid employment.

The more institutionalist economists in Japan all stress that wives should work for pay in the same pattern as men with a little assistance from care services to complement the care they currently provide alone within the family. Although they are aware of discrimination against women at work and find it problematic, they encourage women to adjust their work pattern to fit employers' needs, and not *vice versa*. This occurs since their emphasis is on the market and not the rest of social relations. I clarify this by using Wakisaka and Machiko Osawa as examples.

Whatever the analytical differences, the policy implications of Wakisaka and Machiko Osawa are much the same as Higuchi. Both Wakisaka and Higuchi agree that it is up to women's individual preferences whether to work for pay or not, though they also argue that society should increase the provision of care services to replace the present sole provision of care work by mothers, and thereby modify these preferences. Higuchi expects that women in Japan will eventually follow the

work pattern of women in the US, where the market provides care services for the family on behalf of mothers with high income. Wakisaka, by contrast, suggests a more active policy to encourage wives with higher qualifications to work for pay while taking care of the family, arguing that the Japanese family prefers traditional care provision by mothers rather than a market provision of care work.

Machiko Osawa also advocates active policy interventions to decrease gender discrimination at work. Unlike Higuchi and Wakisaka, she pays more attention to the fact that women make their choices within social and political constraints. She points out that human capital theorists neglect the gender bias in social and political constraints restricting individual choices, and argues that the social provision of care services would increase women's paid employment and encourage employers not to discriminate against women in the hiring of workers. Feminist scholar Mari Osawa (1994) argues, however, that Machiko Osawa's policy recommendations are insufficient because Machiko Osawa pays little attention to the nature of the care services that wives currently provide at home, not of which can simply be substituted by market or social provision. Without a full consideration of care provision, Machiko Osawa's policy implications are the same as Higuchi's.

On the one hand, therefore, the institutionalist economists in Japan encourage employers to provide women with the same high-paid jobs as men, requiring women to conform to a male work pattern that demands long working hours. On the other hand, they encourage employers to provide wives with maternity and parental protection in order to make it easy for them to maintain a traditional marriage arrangement. Their policy implications lack a comprehensive view on gender discrimination; partly as a result, policies on gender inequality in

Japan are rather *ad hoc* (Shirahase 2001).

2.5 Fertility Decline Dependent Largely on Individual Choices of the Household

Japan experienced a rapid fertility decline from the 1980s, the pace of decline being high in historical terms. Some neoclassical economists argue that fertility decline is the consequence of wives' increased opportunities in paid employment (Becker and Barro 1988; Machiko Osawa 1986, 1993; Yashiro 2001). Machiko Osawa (1986, 1993) and Yashiro (2001) are close to human capital theory in their analysis of fertility decline in Japan during the 1970s, 80s and 90s.

The human capital theory approach, as represented by Becker and Barro (1988) models fertility decline relative to price. Following the basic assumptions of neoclassical economics, Becker and Barro contrast parental altruism and parental identity at home with individual selfishness and professional identity at work. Machiko Osawa and Yashiro create a model based on the assumption that parental altruism is exogenously given and constant. They implicitly follow Wakisaka's assumption that women prefer a traditional marriage arrangement with children and a strict division of work within the family. They further their argument by taking women's preference for marriage and having children as exogenously given. On this assumption, Machiko Osawa and Yashiro argue that fertility rates will fall when women delay marriage and having children, and that married women will have fewer children because women are now more likely to be in paid employment than before the 1970s.

Machiko Osawa (1986) argues that the rapid fertility decline is due to

young women choosing opportunities to work for pay outside the home. She stresses that changes in technology since the mid-1980s in Japan make it more costly for women to quit paid jobs and take up childcare at home. Machiko Osawa (1993) argues that working women tend to avoid time-costs of children by delaying marriage or having no children as this is efficient for them. The policy implication is that the government should provide and promote public and private childcare facilities and employers should be encouraged to offer time off work for childcare as regulated by state law.

Similarly, Yashiro (2001) considers that fertility rates declined as women did not wish to incur the costs of lost work opportunities for the sake of marriage and childbearing. Basically, he agrees with Machiko Osawa's policy proposals to encourage women in paid employment to have more children. In addition, he firstly proposes that the government should ask employers to provide more job opportunities for wives who re-enter paid employment by abandoning the lifetime employment contract for all men. He admits that neither employers nor representatives of large trade unions will welcome this proposal, but argues that this is the biggest barrier to women who want to continue participating in paid employment and have children as well. Second, in terms of paid childcare provision, he suggests that the government should pay an allowance to mothers to enable them to choose appropriate care services, rather than subsidise public childcare facilities as it has done since the 1970s. In other words, he suggests market competition in childcare services. Third, the government should encourage families to live outside the central city to gain better access to childcare support, by de-taxing or providing allowances to do so; he also argues that the government should give tax allowances to those employers paying the large commuting costs of their employees. Fourth,

the government should revise the tax system, where income tax and social insurance are charged to the household as a unit and where wives are often not taxed as individual workers, even if they are working part-time for pay.

To sum up, both Machiko Osawa and Yashiro argue that fertility rates would stop declining if women did not lose their paid employment as a result of childbearing and if the cost of childcare was to fall. For them, the decline in fertility rates is simply a matter of a cost and benefit analysis of children for women and the family.

3 Critiques of Japanese Neoclassical Economic Theory

3.1 Critique of Human Capital Theory in Japan

The general problems within human capital theory are reinforced by an assessment of its applications to Japan: in the specific as well as the general case, it fails to conform to the empirical evidence, and rests on dubious assumptions about women's preferences. The first and most obvious empirical flaw is that human capital theory – at least when combined with Koike's efficiency wage model - implies that women will have a higher average starting wage than men because employers delay rewarding male workers in order to ensure their commitment over a long period of time. Female workers, by contrast, should have flatter wage trajectories through their time in employment (Zellner 1975; Hashimoto 1981). However, women's average starting wage is *lower* than men's in all educational groups in Japan (Hashimoto 1996: 35). In 1993, women with higher qualifications averaged 181,900 yen per month as their starting wage, while men with higher

qualifications averaged 190,300 yen. This gap in starting wage by gender exists across all age groups: men are typically paid 10,000 yen (approx. 50 sterling pounds) per month more than women with comparable qualifications (Hashimoto 1996: 35 table 2-3).

The theory does not, then, fit the empirical evidence on wage rates. Secondly, women's possession of human capital is underestimated because women's jobs often involve skills associated with care work, which are not valued highly in the market (Takenaka 1989: 209-10; Hashimoto 1996: 40). Hashimoto argues that the average wage for female jobs is historically lower than that of male jobs. Nursing, kindergarten teaching, nursery teaching, and child minding are skilled jobs that require a relatively long time in education. Nevertheless, women in these jobs are paid less than men in jobs requiring equivalent levels of education. X-ray engineers and clinical laboratory engineers have a similar educational background to nurses, but male x-ray engineers are paid 25 per cent more than female nurses and 30 per cent more than female kindergarten teachers if they work for longer than 15 years (Hashimoto 1996:40). Women overwhelmingly dominate nursing and kindergarten teaching: 96.74 per cent of nurses and 94.70 per cent of kindergarten teachers are women (Hashimoto 1996: 39). Hashimoto argues that socially given values create such occupational gender segregation and affect the valuation of these skills.

Ida (1994) provided evidence to show that demanding female tasks are not sufficiently rewarded because of male collective action. Repetitive tasks, for example, are characteristic of jobs that female part-time workers engage in, particularly in high tech factories. Ida argues that employers there assign boring repetitive jobs that nonetheless require demanding concentration, to female

part-time workers. Even if these women cannot stand the tasks for any length of time, they are easily replaced by new part-timers. Factories with high-tech industrial robots create more complex mechanical and technological tasks for men, including repetitive tasks such as checking the quality defects of the product. High-tech industrial robots cannot detect such defects and need someone to carry out physical checks. However, as such repetitive tasks are unbearable for a long period of time, male unionised workers refuse to do them. It is, therefore, left to female part-time workers to engage in such tasks (Ida 1994: 51-2). This makes it efficient for employers to use female part-time workers, even if they may leave a job within a short length of time.

The Association of Pay Equity (1997) extends Hashimoto's argument to clerical jobs and argues that the existing job assessment fails to take account of care relating and communication skills.⁸ They interviewed 45 men and women in nine different trading companies, and surveyed 318 workers (228 women and 90 men) in fifteen trading companies. The study examines what position the worker has, what tasks the worker does, and how tasks are assessed. Women's tasks typically require interpersonal communication in addition to patience due to their repetitive nature and frequent interruptions, and are as strenuous as the tasks undertaken by male workers. Nevertheless, the tasks performed by women are treated as of lesser value (Ida 1994; Takenaka 1989; Tsumura and Kita 1994).

Ida argues that women tend to prefer marriage and child rearing when they observe how employers have treated their female predecessors; i.e. this is not an exogenous preference, but is formed due to the perception of social constraints. He

⁸ The Association of Pay Equity is the name of a women's organisation whose members work in major trading companies as clerks.

points out that the Equal Employment Opportunity Law has been introduced with reduced female labour protection, such as permitting women to work late night hours and extra work hours since 1986. This pressurises women to follow a male work pattern if they continue paid employment, and makes it more difficult for women to pursue career and family life together.

Ida (1994: 53-4) argues that the surveys carried out after 1986 reflect the institutional changes, and that some new female recruits avoid the high paid male career path because they predict that employers will discriminate against women as well as pressurise them to follow male work styles. The survey of Kao Sofina beauty centre (1991) indicates that women tend to prefer a satisfying private life to having both paid employment and family after the institutional changes.⁹ Mainichi Newspaper (1991 22 May) reported that this might be women's response to the gender job segregation (i.e. two-tier career path: the male career path open to women and the female job path as assistants). It reported that 42 per cent of large-sized firms with over 5,000 employees introduced the two-tier career paths after the legislation in 1986. The survey of recruits reported that seven per cent more women preferred the assistant career path in 1991 than in 1989. Ida argues that these examples indicate that new female recruits foresee the expected difficulties of male jobs if they desire to continue in paid employment.

Tsumura and Kita argue that employers assign men rather than women to jobs with on-the-job training. They illustrate this with a gender discrimination case pursued by a Tokyo local court, which focused on a gender wage discrimination case as an example of gender bias in on-the-job training (1992). The employer explained that in order to qualify for higher female wage rates, workers needed to

⁹ Kao is a large-sized chemical company, one of whose businesses is cosmetics.

experience jobs requiring on-the-job training, and these workers did not have experience equivalent to their male counterparts. He, then, argued that gender wage differences were reasonable. The workers claimed, however, that the employer provided on-the-job training unconditionally to male workers, but required permission from the direct boss for female workers to have the same on-the-job training. They argued that the employer had discriminated on a gender bias in providing jobs with on-the-job training, and that the employer had intended to create gender wage differentials. In this case, the court found in favour of the female employee, stating that it was the employer's fault that he treated this female employee in the way he did paying less for the same work as carried out by male colleagues, even when she was a breadwinner of the family (Tsumura and Kita 1992: 201; Nakashima 1992).

Takenaka (1989: 148; 1994:22) argues that by taking women's preference for marriage and child rearing as given, employers introduce gender job segregation at the point of recruitment, job assignment, on-the-job training and, as a result, promotion. Takenaka (1989:148) and Ohba (1983) argue that women have restricted choices in paid employment regarding the processes from recruitment to promotion, but that employers retain control over human capital investment. They stress that employers are less likely to take account of individual workers' preferences for paid employment than their own given perception of women's preferences. This relates to the critique of statistical discrimination theory discussed below.

Third, empirical findings indicate that women do not necessarily prefer low paid and less demanding jobs, but 'choose' these because institutional arrangements restrict their choices in paid employment. Hashimoto (1996) argues

that mothers may choose low-paid and less demanding jobs, as they have to provide unpaid care work at home. Mothers are expected to be sole carers in the family, and this perception pervades institutions as a whole (Hashimoto 1996:66-90). As a result, care work concentrates on mothers instead of fathers and other members of the family and society. If mothers choose full-time jobs, they are expected to spend work hours as long as their male colleagues, and additionally spend time on care work at home. They are, thus, more likely to work as temporary employees and short-term contract employees, where employment is not stable and often lacks full social insurance cover (Hashimoto 1998:40). As long as the institutional setting requires mothers to take sole responsibility for care work in the family, women's choices regarding paid employment are restricted.

Fourth, educational investment is not given exogenously, but is endogenously formed. Nakamura (1999) refers to the contrasting gender norms between men and women with higher qualifications, and argues that through education, gender norms may be imprinted on women if they major in their higher education in 'female' orientated subjects such as domestic science and literature. Brinton (1993) stresses that gender segregation by majored subject exists despite women achieving the same level of qualifications as men, and argues that parents, in particular fathers, affect the educational choices of their sons and daughters. She argues that as parents form their preference for educational investment within social norms, in particular, the girl's 'choice' of subject at college or university is not necessarily her own.

Fifth, women with higher education do not necessarily have low incentives to work hard due to their preference for marriage and child rearing (Ida 1994; Japan Labour Research Institute 2000). The Japanese Labour Research

Institute (2000) reported that women with higher qualifications are likely to have high incentives to continue in paid employment when they are first hired. It carried out a survey collecting samples of 5,000 highly qualified women, and found that 40 per cent of highly qualified women intended to continue in paid employment when they took their first job. In the same survey, thirty per cent of them reported preferring to interrupt paid employment for having a family and to re-enter paid employment after the demanding childcare period in the company where they were first hired. In contrast, only twenty per cent preferred to specialise in home production and childcare after marriage or having a child.

Nevertheless, women with higher qualifications do not appear to act upon their initial preference in paid employment. Katada (2002) shows that 42.9 per cent of highly qualified women specialise in home production and childcare, while 27.3 per cent are in paid employment. This survey collected samples in relatively rural areas in the western region in Japan. This may affect the result, for even women with higher qualifications may be more likely to prefer to specialise in unpaid care work in the family in rural areas than in urban areas such as Tokyo or Osaka.¹⁰ Despite the fact that the survey results as a whole may have a sample bias, this finding still indicates a mismatch between women's initial preference for paid employment and their actual decision on paid employment.

Ida argues that human capital investment by employers discriminates against women with higher education and that as a result, they quit paid employment. In 1992, 42.6 per cent of female workers with higher qualifications responded that they preferred having a high-paid demanding position. This

¹⁰ Brinton (1993) argues that women in rural areas tend to hold more traditional views on the gender division of work than those in cities, and cites the opinion survey in Hino city as an example.

contrasted with 69.9 per cent of women with lower qualifications who stated that they did not prefer a high-paid, demanding position (Ministry of Labour 1992).

These critiques show that neoclassical economists explain give little consideration to the gender norms and social values that underpin their assumptions regarding women's preference for paid employment, marriage arrangements and child rearing. These critiques usefully show the problematic assumptions of neoclassical economists, and shed light on the important role that social constraints play, particularly regarding childcare services. With the exception, however, of Brinton, the neoclassical economists pay too little attention to the fact that individuals are the agents who make choices; while individuals are passive over social constraints they are active in responding to them by making choices.

3.2 Critique of Koike's Efficiency Theory

The other problematic assumption regards Koike's efficiency wage theory, which understates the role of collective action. As many critics argue, large firms in Japan pay male workers a higher-than-market wage in order to avoid conflicts with workers and to encourage them to work hard for a long period of time, by providing seniority wage and lifetime employment, and selecting favoured workers according to the employer's taste for discrimination (Futamura 1987; Mari Osawa 1993; Numura 1992; Hashimoto 1996:38).

First, critics argue that after the 1970s, firms' trade unions have tended to act collectively *with* employers. Large Japanese firms provide male workers, particularly union workers, with a seniority wage and lifetime employment in exchange for reduced conflicts (Futamura 1987; Ono 1989; Nomura 1992; Mari

Osawa 1993). Historically, employers in large-sized firms started offering a seniority wage and lifetime employment to male workers with higher qualifications because their skills were precious at the beginning of the 20th century (details in Chapters Six and Seven).

Seniority wage and lifetime employment practices became established during the wars, and developed into a life support wage in the post-war period, finally settling into its present form after a period of intense conflict between employers and workers in the 1970s (Nomura 1992). Mari Osawa (1993) argues that employers and unions created the system of seniority wage and lifetime employment specifically for male workers in large firms. Due to this background, the wage structure in Japan still has the characteristic of a 'family wage' paid to the male breadwinner. Women in large firms and both men and women in smaller sized firms are excluded from the seniority wage and lifetime employment policy (Shiota 1994: 148).

Male workers are not paid for the tasks they have done, but by male membership of the firm that they work for. Nomura (1992: 14) argues that as long as employers pay a higher wage to all men, they need to utilise them by investing in various firm-specific work skills and experience, and assigning high paid jobs through relocation. It is not efficient for employers to assign these male workers to low-paid 'female' jobs (Mari Osawa 1993: 67). Since employers need to provide high paid jobs for male workers with seniority wage and lifetime employment, women's jobs are limited to 'female' low-paid jobs.

Second, critics show that Koike's explanation does not stand on the basis of empirical evidence; workers in small firms are equally skilled but are paid less, whilst workers in large firms are less skilled but are paid more. Mari Osawa reveals

evidence indicating that Koike's theory is inappropriate for explaining all male workers' high wages. In the first place, workers in smaller-sized firms can also obtain firm-specific experience, but Koike pays little attention to this (Ono 1989). In the second place, although Koike stresses that seniority wage is a reward to firm-specific skills and experience obtained through working for a long period of time in the same firm, some employers pay seniority wage to the men whose turnover rates are high. Not only in Japan but also in South Korea, male workers are paid a seniority wage. Although male workers in South Korea have high turnover rates, the employer pays a seniority wage to all men (Ono 1989). In the third place, if employers pay for firm-specific skills, workers who specialise in firm-specific tasks for a few years are paid more than those who have been recently employed. However, regardless of their firm-specific skills, male workers of the same age receive the same wage rate (Nomura 1992). This suggests that seniority wages are, in fact, provided for membership of two collective groups: first, the group of male employees; second, the group of employees in the large-sized firms.

Third, critics argue that employers and male workers act collectively because employers may favour those who act together when they assess the skills of workers. Employers' job assessment of workers gives them the chance to select workers that they favour regardless of the tasks performed by the workers (Mari Osawa 1993: 66-7; Nakano 1991). Firms' trade unions were usually reluctant to accept employers' assessment of skills in the 1970s and thus they took industrial action against employers (Shirai 1992: 27-32). After the oil crisis in the 1970s, however, they shifted their focus to maintaining the seniority wage and lifetime employment for male workers who share the same employment status, leaving behind the problem of employers' assessment of skills. Employers can thus still

select their favourite workers for higher positions (Mari Osawa 1993: 66-7; Miyatake 1986). Tsumura and Kita (1994:189) argue that it is not yet established that this assessment of skills is gender-neutral. At the beginning, firms' trade unions refused to accept employers' assessment of skills, but changed their attitude after the oil crises in the 1970s. As discussed above, male union workers now act together with employers as long as both of them abide by their self-interest to keep women out of high-paid male jobs. Thus, collective male action after the 1970s created the system of employers' assessment of skills, and this works systematically to the disadvantage of women.

Women are particularly disadvantaged by the introduction of assessed skills because employers reflect their taste for workers via their assessment of 'skills'; in this context, assessment is not of skills but the worker as a person (Tsumura and Kita 1994: 189). Employers' assessment of workers works negatively for female workers because employers have room for discretion (Takenaka 1989: 170-71; Shirai 1992:23-32; Nakano 1991:4-5, 17; Employment Information Centre 1990: 30-7). Employers regard gender difference in their assessment of workers as a fair reason for gender job segregation within the firm. They do not, however provide a satisfactory explanation in cases where men and women are in different paid positions, but share most tasks (for example, Sumitomo Steel's court case discussed in Chapter Eight).

Employers are not clear about what makes such a difference between men and women in their assessment of workers, only vaguely explaining that women do not satisfy their expectations (Employment Information Centre 1990:30-7). Nakano (1991:17) argues that via their expectation criteria in the assessment of workers, employers reflect their discriminatory perception of women in only

assigning assistant tasks to them while men perform tasks with responsibilities. By way of their job assessment, employers can evaluate by whether female workers fit gender norms or not. If employers prefer to pay a 'family wage' to all men, as Mari Osawa argues, employers have incentives to take advantage of the assessment of workers to differentiate female from male workers.

This thesis basically agrees with these critiques, but further investigates why male workers have acted collectively with employers since the 1970s, by considering their motivations to do so. The critiques above indicate the extent of collusion from the 1970s, but say little about why it happens even when workers may not gain directly. Chapter Seven provides a more detailed discussion of this issue.

3.3 Critique of Statistical Discrimination in Japan

Statistical discrimination theory is also flawed, and at odds with much of the empirical evidence. First, men, as well as women, had a high rate of turnover before the 1970s in Japan (Nomura 1992: 11; Tabata 1991: 259-60). Nomura (1992:11) argues that in one large world-famous automobile firm, 25 per cent of male workers quit their jobs within a year, and 50 per cent of them left their jobs in the third year of employment in 1971. Tabata (1991: 259-60) argues that the lifetime employment practice in Japanese firms is relatively new. Before the two oil crises in the 1970s, workers in Japan moved from one firm to another within a few years, and mass recruitment and mass quitting were common in automobile firms. After the second oil crisis in 1979, even workers in the automobile industry tended to stay working for the same firm. Since then, the lifetime employment practice for all male workers

has been a characteristic of large sized Japanese firms, and, consequently, male rates of turnover fell after the 1970s. Nomura's argument is consistent with Higuchi's (1991) finding that workers in Japan had higher rates of turnover in the 1970s than in the 1980s.

Second, women's high turnover rates do not reflect their preference for paid employment because institutional factors also encourage women to leave their jobs. The lifetime employment practice was the outcome of male collective action in large-sized firms (Futamura 1987; Mari Osawa 1993: 67). Female workers are, however, not hired under the lifetime employment practice partly because few of them work in large-sized firms, and partly because these firms are not unionised. To maintain lifetime employment for most men in large firms, employers and male workers need the labour that firms make redundant in a recession. Takenaka (1994:22), Uji (1992: 23, 25-28), Tokunaga and Sugimoto (1990), and Shiota (1994) argue that female workers are used as such labour, and that women's rate of turnover is the outcome of employers' and male workers' collective action and thus endogenously formed. Because employers and male workers have incentives to keep women away from highly paid jobs, men may emphasise gender norms so as to encourage women out of employment (Takenaka 1994:22; Ida 1994: 52; Mari Osawa 1993: 68; Hashimoto 1996: 37).

This is consistent with the fact that some employers still clearly segregate female jobs from men's even after the Equal Employment Opportunity Law was passed in 1985. Nakamura (1999:3) argues that employers assign female jobs even to women with higher qualifications, and that this reduces their incentives to continue in paid employment. Ida (1994: 52) shows that 46.4 per cent of firms still expected women to leave their jobs at a certain age in 1992 (Ministry of Labour

1992).¹¹ In 1990, 70.6 per cent of firms still applied age limitations (Tokyo City). Tsumura and Kita (1994: 200) illustrated the prevailing attitude, with one employer's answers from an interview with the Women's Occupation Fund in 1990.

“We use female workers as flexible labour that we can replace at a few years' interval, and this saves our labour costs since we spend on male labour as we have to anticipate future costs (for seniority wages) (Women's Occupation Fund 1990: 97; cited in Tsumura and Kita 1994:196).

Such gender segregation is not treated as discrimination against women since employers, as well as male workers, are hardly aware of it as such (Sechiyama 1990).

Gender discrimination works through gender norms and discourages women from staying in paid employment. Nakamura (1999) furthers this argument as a problem of social norms accepted as efficient and reasonable in society. She argues that women may choose marriage and take responsibility for the family because they feel guilty in acting against social norms that emphasise the wife's sole responsibility for the family. Shiota (1994) argues that gender norms are penetrating the firm and family, leading employers to expect female workers to follow norms such as “corporate wife” or “pretty daughter”.¹² Women who do not fit these gender norms may be more likely to leave a job.

Third, employers foster gender discrimination through institutional inertia that perpetuates segregation, and employers in large firms maintain their own interests by fostering firms' hierarchy in Japanese industries. Employers have an

¹¹ The survey did not give the age limit for women. Customarily, the age limit was below 30 years old before the 1980s, and perhaps between 30 and 40 years old now.

¹² Nohara (1992) coined these terms.

incentive to create and maintain gender job segregation within the firm but this only works efficiently if employers hire young single women who leave within a short time and mothers who are paid low wages and work without full social insurance cover (Ida 1994; Takenaka 1994; Hashimoto 1996: 37). The male work pattern requires long working hours that presume that someone else, often a full-time housewife, is responsible for taking care of them. Furthermore, male workers are assumed to have financial dependants because they need dependants to look after them in the family (Takenaka 1994: 22; Mari Osawa 1992a: 39-40, 1993: 73).

Male workers have achieved their wages since the 1970s as a consequence of collective action against and with employers. Mari Osawa (1993) argues that employers suffered heavily from lost working days in the 1970s when industrial action was common. Tabata (1991) shows that employers lost working days because of strike action associated with redundancy after the first oil crisis in 1973. After the oil crises, employers, therefore, preferred stable relations with male unionised workers, and as a result, guaranteed male lifetime employment (Hazama 1991: 27; Tokunaga and Sugimoto 1991: ch. 6 and 10).

However, in the case of recession, employers have to change the amount of labour they employ as they change the level of output. For this purpose, employers need some workers they can more freely hire at lower wages and then discharge. Such workers are young female workers in large-sized firms and middle-aged wives working part-time in small- or middle-sized firms (Ujihara 1966; Takenaka 1989: 216, 1994: 22). Uji (1992:23) argues that employers in large firms need cheap product suppliers outside the firm in order to maintain their own male workers, and that those in small-medium firms need cheap and flexible labour, such as older men working on a short contract basis and married women working part-time. He argues

that employers in large-sized firms generally reduced their subsidiaries due to the oil crises, and started buying products from small-medium sized firms outside their corporate network. He stresses that employers in small-medium sized firms reduced their number of full-time workers and increased workers with short contracts and part-time workers, to whom employers neither pay as high a wage as full-time workers nor cover the full social insurance costs for.

According to Watanabe (1992: 50), 70 to 80 per cent of total employees work in small-medium sized firms or governmental institutions, and women are more likely to work there than in large-sized firms. Chuo University Research Institute (1985) argues that small-medium sized firms in rural agricultural areas supply their products to large-sized manufacturing firms at relatively cheap prices. It studied small-sized factories in a central rural area of the Nagano prefecture on the main island of Japan, and found that while wives engage in agriculture as their family business, they work for these factories as Ujihara argues. The use of such cheap female labour is arguably the factor that explains how Japanese firms reduce production costs while keeping expensive male labour in large sized firms (Chuo University Research Institute 1985: ch. 3 and 4; Uji 1992). However, most neoclassical economists in Japan focus on large-sized Japanese firms as 'excellent' firms for giving workers incentives to work hard in the 1980s, and pay insufficient attention to the majority of Japanese workers who are not employed by large firms.

Mari Osawa (1993) emphasises that job segregation by firm size and gender job segregation within the firm are intrinsic features of Japanese industry and were strengthened by the oil crises. She quotes Ujihara's (1966) argument as an illustration. Ujihara argues that women are put into female jobs that are socially created by male employers' interests. He emphasises that female workers have flat

wage curves even as age increases, and that this is because they hold specifically female jobs in large-sized firms while they are young and single, and female jobs in small-medium sized firms once they have a family. Workers in large-sized firms have larger collective power to bargain with employers, but workers in smaller-sized firms do not have such power. He argues that the pay for these female jobs is less because the jobs are considered less skilled.

Ujihara has the following insightful explanation for this. He develops the argument that employers assume that women compare poorly paid work in a very small firm with unpaid work in the household in an agricultural society. He argues that employers take on less skilled women and pay them less than men because they see women working under a male household head for free. In an agrarian society, such as Japan in the 1950s, a family head controlled all family production in the fields (Ujihara 1966). As employers, like women, compare unpaid family work with women's lower wages, they believe they pay enough to women and are not fully aware of how low the payment is. In addition, women themselves may not be aware that they are being unreasonably underpaid.

Fourth, male union workers act together to prevent women's entry into high paid male jobs (Tokunaga and Sugimoto 1990; Uji 1992: 25-8). Tokunaga and Sugimoto argue that male workers in large firms know that female workers are paid considerably less and that their working conditions are poor. Nevertheless, firms' trade unions do not take action on behalf of these workers, in particular female part-timers, because male union workers know that to act for these workers is against their own interests (Takenaka 1989: 273; Tokunaga and Sugimoto 1990; Uji 1992: 25-8). Uji (1992: 25-8) argues that firms' trade unions do not rectify female workers' position them because they fear that this may weaken their bargaining

power.

Consequently, women are less likely to be members of firms' trade unions. Women are also less likely to use collective power to bargain over their pay and working conditions as they work in non-unionised small-medium sized firms (Ujihara 1966). Japanese unions are not based on occupational groups or, indeed, industry groups, but on individual firms' unions (Mari Osawa 1993). Workers in smaller firms find it difficult to organise trade unions, and, as a result, they have lesser bargaining power (Uji 1992: 25-18).

3.4 Critique of the Explanation of Fertility Decline

In theory, fertility decline should be accompanied by an increase of women in paid employment and an increase in their relative wages (Becker and Barro 1988). As already noted, some neoclassical economists in Japan argue that fertility decline is the consequence of wives' increased opportunities in paid employment (Machiko Osawa 1986, 1993; Yashiro 2001).

Here, too, there are discrepancies in the evidence. First, empirical evidence has established that fertility decline has proceeded without a corresponding increase in women's labour force participation (Retherford, Ogawa, and Sakamoto 1999; Retherford, Ogawa, and Matsukura 2001). It has, however, been accompanied by a significant postponement in marriage, which may be leading to a secular trend not to get married (Ogawa and Retherford 1993; Retherford, Ogawa, and Sakamoto 1999; Retherford, Ogawa, and Matsukura, 2001).

Ogawa and Retherford (1993) argue that rates of fertility in Japan fell after

1973 because of an increase in those who stay single for life, of childlessness within marriage and a higher incidence of one-child families. They also argue that delayed marriages are contributing to the trend of declining fertility, as indicated by the rise over time in the mean age of marriage in Japan, and that this trend towards later marriages helps to explain the postponement of childbearing since the mid-1970s. Retherford et.al. (2001) argue that delaying marriage plays a significant role in Japan.

In the 1980s and 1990s, women stayed single for longer periods of time and delayed marriage due to the fact that they were more likely to be in paid employment than before the 1980s (Retherford, Ogawa, and Sakamoto 1999). This is consistent with the fact that single women, more than married women, in Japan have increased their paid employment since the 1980s. Rates of fertility in Japan fell sharply from 1986 to 1992 (Retherford, Ogawa, and Sakamoto 1999: 142-3). Single women have thus increased their opportunities in paid employment and delayed marriage, and as a result, rates of fertility have continued to fall since the 1980s.

Second, critics argue that the value of marriage and children in Japan has changed since 1973, and that this has also caused a decline in fertility rates (Retherford, Ogawa, and Matsukura 2001). Retherford et.al. (2001) argue that contrary to the theory of fertility decline in human capital theory, most demographers emphasise the negative “externalities” that arise from population growth, and predict that the security or insurance value of children declines toward the end of a demographic transition.

This helps explain the rapid fall in fertility rates in Japan since the mid-1980s. In the first place, the security or insurance value of children declined in

Japan as the pensions paid for the elderly can compensate for the security or insurance that adult children used to provide to elderly parents from the late 1960s (Ogawa and Retherford 1997). Associated with this, parents in Japan changed their perceptions of children. Before this period, parents needed children for financial security, to some extent. This is still the case for agricultural families and family-run businesses, but it became less common among the majority of workers in paid employment from the 1970s.

Since the value of children as social security has collapsed, both the values of children and of marriage have changed, encouraging single women to stay in paid employment, delaying marriage, and allowing married women to have no children (Retherford, Matsukura, and Ogawa 2001). A key factor promoting later and non-marriage has been the near-complete erosion of the institution of arranged marriage that forced men and women to have children for security reasons because elderly parents tend to live with the eldest son's family or receive financial support from adult children. Thus, the current decline in fertility rates in Japan is taking place because changes in society and in the economy have eroded traditional values of marriage and children.

4 Conclusion

Using the basic model of neoclassical economics, most Japanese economists provide insufficient explanations for the Japanese puzzles. They argue that gender job segregation creates rigid gender differentials in Japan, and discourages married women with high educational qualifications from working for pay because they normally prefer marriage and having children to paid employment. It is said that in

Japan, women commonly choose their marriage partner within the same or higher level of educational qualification group (Wakisaka 1990). Furthermore, some argue that if their husband's income is high, married women tend not to work for pay (Arisawa 1956).

Some Japanese economists argue that fertility rates are declining because women find it financially difficult to have children. The paid employment available for women with children is largely limited to part-time jobs, segregated by gender, when they re-enter the labour market; fulltime jobs are limited because most senior men occupy lifetime jobs. The costs of children are remarkably high due to the insufficient social provision of care services.

The above arguments are valid, however, only if gender job segregation is efficient as many Japanese economists assert. As noted in Chapter Two, the efficiency of gender job segregation has not been fully proven; indeed, gender job segregation arises partly because men act collectively in order to prevent women from sharing their high-paid positions. Critics argue that women's high rate of turnover is a consequence of gender job segregation, as well as a cause. More importantly, women's preference for marriage and having children over paid employment is not given, but is formed through the interaction of individual preferences and social constraints. When social constraints strongly restrict individual choice, their preferences are also restricted. In contrast with men, women face stricter constraints in choosing paid employment. This indicates that women form their preference for marriage and child rearing over paid employment in such social conditions.

Critics in Japan have provided empirical evidence establishing that gender job segregation, created by male collective actions, can discriminate against women,

and argue that fertility rates decline not only because women respond to changes in relative prices but also because economic shifts change the value of children. Using women's preference for marriage and child rearing as the rationale for gender job segregation, Japanese employers hire women for jobs that require little experience and provide them with little on-the-job-training. Gender job segregation encourages women in Japan to leave their jobs following marriage or childbirth. Because of lifetime employment and the seniority wage, women with higher educational qualifications have lower wage rates than men with lower educational qualification after ten to fifteen years in paid employment. As the jobs available for married women are often significantly low paid part-time jobs, this hardly encourages married women with higher educational qualifications to continue working for pay. This is because the firm tends to internally provide men with lifetime employment the jobs that married women with greater skills can do as part-time jobs.

While lifetime employment and the seniority wage for men create low paid part-time jobs for middle-aged women and old men, social organisations in Japan create married women's 'preference' for low paid jobs, or no paid jobs via their maintenance of this system. Consequently, women with higher educational qualifications are less likely to work once they have children because there are few part-time jobs that require their skills.

Critics in Japan argue that the decline in fertility rates in Japan has come about through the increase in single women's paid employment rather than that of married women; women had fewer children in the 1980s and 1990s because they now prefer to delay marriage and children. If so, this must be partly because the social norms of having children have changed. The change in norms regarding

children has also changed the value of marriage, and as a result, single women enjoy paid employment more than before the 1980s.

The Japanese experience suggests that the Japanese puzzles are best viewed as the outcome of discrimination against women that social organisations create and maintain. Fertility rates have declined without a corresponding increase in married women's paid employment, and this suggests that societal norms as well as economic factors significantly affect fertility decisions. The Japanese case, therefore, provides a good illustration of the limitations of neoclassical economic theory in explaining gender wage differentials, women's labour supply pattern, and the decline in fertility rates.

Chapter Four

Alternative Approaches: The Theories of Folbre and Kuran

1 An Alternative to the Neoclassical Economics Perspective

This chapter considers the alternative approaches of Nancy Folbre and Timur Kuran. Both Folbre and Kuran try to accommodate the problems of power relations and normative interaction between individual preferences and social norms in their accounts of preference formation. However, they explore accounts of preference formation differently. Folbre explores gender inequality at work and the decline in fertility rates by taking into account interdependent preferences, power relations and normative interaction between individual preferences and social norms. Kuran gives a more detailed account of preference formation in which public opinion plays a key role when people form their willingness to reveal their innermost preference. In contrast to Folbre, Kuran very rarely bases his analysis of preference formation on gender.

2 Nancy Folbre's Theory

2.1 Framework of Folbre's Preference Theory: Folbre's Early Work

Folbre (1994) creates a model in which social constraints and individual preferences interact along the characteristics of gender, age, sexuality, race, class and nationality. Due to the connection between social constraints and individual preferences, social structure forms and is, in turn, reinforced by individual choice.

Folbre argues that individuals make choices according to both self-interest and self-identity, but that self-interest and self-identity are not entirely free from a social context organised by collective action. In her model, individuals do not behave or decide as agents outside a social context, nor do they adhere slavishly to a script written for them by the particular intersection of social categories that they happen to occupy as Granovetter (1985) argues.

Choice plays an important role. Individuals are not perfectly rational utility maximizers, but they are purposeful agents who make decisions to buy, to sell, and to engage in various social activities. Their choices are affected by relative prices and probabilities of gain, the economist's traditional arbiters of efficiency. But they are also shaped by the social construction of individual preferences and cultural norms.

Choices take place within certain social structures, themselves the outcome of previous choices and structures. The ownership of the means of production, or, more broadly, the distribution of initial assets, is an important dimension of social structures. But political, cultural and psychological factors also define the groups to which individuals belong, and locate their position within them (Folbre 1994: 38-9).

Individuals make choices within social constraints, which incorporate various inequalities, but social constraints are not restricted to the allocation of assets; they also include political rules, cultural norms and psychological factors. Individuals produce goods and services, exchange them, are coerced and co-ordinate their self-interests and identities in the firm, the State, the market and the household. The individual produces goods and services in the firm and exchanges them with the employer, and this exchange should be seen as the source

of coercion between these agents, who co-ordinate their conflicting interests and identities within social constraints. Folbre does not limit assets here to assets that are property-based, and does not assume that relations based on material considerations always have primacy.

Folbre argues that individual preferences describe what individuals like and how much; i.e. the dimensions of desire rather than the 'tastes and preferences' to which neoclassical economists normally refer. In this context, desire represents deeper emotional involvements as is often the case with care service provision for children. Taste and preference are more superficial and often used in selecting certain brands of products. Preferences are, to some extent, given biologically: for example, people generally prefer living to dying. Most preferences, however, are moulded by social norms: people in similar circumstances often want similar things. Folbre stresses that social constraints encourage people to want the same things in the same circumstances.

Individual preferences are generally subject to change not only by social constraints such as assets, rules and norms, but also by personal experience and learning (Folbre 1994: 42; Moore 1994: 55). Some individual preferences may be evident at an early age, and persist over a lifetime. Others may be changeable through the influence of outsiders. For example, sometimes people do not know of what their preferences are, or find that some of them are at odds, and ask therapists to help them understand their own mind; and, sometimes, people have 'meta-preferences', framed by conscious efforts to think about what they *should* like (Folbre 1994: 42-3).

Following this interpretation of preferences, Folbre argues that they are

partially endogenous, and similar to assets, rules and norms. What people want, and are encouraged to want, relates to social identity, characterised by factors such as gender, age, sexuality, race, class and nationality.

People do not belong to a certain class simply because they have a certain endowment of assets. They belong to a class because a combination of assets, rules, norms and preferences identify their position in a socially constructed spectrum called class. Similarly, individuals do not belong to a certain gender simply because they have a certain endowment of biological assets. Rules, norms and preferences also create the meaning and implications of biological differences (Folbre 1994: 43).

As a result, individuals cannot be located in a single set from the possible bases of conflict when they make choices; they operate in many different collective dimensions as members of many different groups, both chosen groups that they have selected and given groups to which they belong due to innate attributes. Folbre argues that gender becomes one among other possible vectors for conflicting interests and collective action, such as age, class, race, sexual preference or nationality. She points out that membership of given groups creates common identities and interests that are conducive to collective action, and that some given groups are more powerful than others. Men's collective efforts to keep women out of male jobs, either out of self-interest or for male collective interests, and to keep male jobs as more valued than the jobs of females, is one illustration of this.

As individuals belong to societal groups both given by birth and chosen later, they may belong to several social groups where self-interests are contradictory. Individuals do not always seek the self-interest and identities that agree with their

collective interests and the identities of a given group. This is because they can belong to chosen groups that reinforce the material or non-material assets of their other given groups. As individuals make decisions regarding their chosen groups, they are actively, rather than passively, involved in collective action. Chosen groups are what neoclassical institutionalist economists and political scientists call 'interest groups'. Individuals choose to join and have a great deal of freedom to enter and exit: examples include the National Organisation of Women, the National Rifle Association, or a committee to study race and gender bias in the economic curriculum. Individuals have mobile self-interests and identities according to their position. When individuals choose a stance from which to pursue interests and identities, they interpret their positions; in this interpretation process, the dominating values and norms in society affect individual preferences.

As applied to gender, this generates the following analysis. Women choose their work pattern within social constraints, and these social constraints differ from those of men's, mainly due to social norms that pressurise women to be carers within the family. To share their care work with someone else, women would have to bargain with the husband, other family members, and the sources of paid care services outside the family. Social constraints make it difficult for them to do so. Because of the lack of bargaining power, women may be unable to share care work; they may also find it difficult to share, because of their emotional involvement with members of the family, particularly children. Both of these help sustain the current gender structure.

Power relations come into effect through emotional elements in preference formation as well as lack of resources. Some emotions, such as the sense of

responsibility for care services, are encouraged not only by the lack of other sources of carer services but also because of a would-be carer's self-identity. In some cases, even when other sources of care services are available, carers such as parents, particularly mothers, feel so responsible for caring for their own children that they provide childcare services by themselves; they identify themselves as carers and as a result decide to take care of the children by themselves.

Folbre, in her early work, stresses that self-identity plays an important role when people make choices. At this point, however, she focuses more on the structure of preference formation than the motives behind care provision.

2.2 Interaction between Individual Preferences and Social Norms via Emotional Elements: Folbre's Later Work

2.2.1 Carer Roles for the Family and Emotional Involvement

In contrast to her early work, Folbre's later work (1998, 2001b) and Folbre and Weisskopf (1998) explores how the motives behind care provision interact with social norms. This deepens her argument regarding interdependent preferences and the interaction between self-identity and social norms.

Folbre stresses the importance of interdependent preferences through emotional elements; social norms encourage women to have certain emotions such as a sense of responsibility for childcare provision. People act in certain ways when feelings of responsibility based on gender self-identity arise, for example, being a 'mother'. Social gender norms dictate that it should be 'mothers' who look after

children. When persons identify themselves as mothers, they may use the social norms associating with mothering as basis for deciding what childcare services to provide.

In practice, it is difficult to differentiate which type of preferences - the preference induced by 'pure' feeling and the one induced by social norms - is at work, because the emotional elements of motives are difficult to differentiate. Folbre (1994) and Folbre and Weisskopf (1998) argue that personal preferences are interdependent, and that this is especially likely to be the case among family members. Care providers connect to those cared for by way of emotion.

Feminist scholars argue that emotional factors play an important role in family labour in connecting individuals with others within the family. Himmelweit (1995) points out that the shift of commodity production to outside the household depersonalised the production of commodities, inasmuch as they were now produced for the market, not for any particular consumer, and bought from the market rather than from any particular producer. Exchange within the depersonalised characteristics of the market is embodied in the wage-labour relation. Because of an excessive focus on wage-labour relations, the personal elements of family relations are paid insufficient attention. What is identified as personal here, is the emotional involvement in providing care services within the family.

The family is concerned about the poor standard of care services in the market, because parents cannot expect the carer to be as emotionally involved in childcare as parents and grandparents and to their working hours will be less flexible (Folbre 1986a, 1994, 1998; England 1989; Nelson 1999). As family

services are not dealt with in the market, where prices are given for goods and services, the market economy undervalues family care. However, since the family is outside the mechanism of market pricing, the market economy undervalues care work in the family. Nelson (1999:53) argues that Becker, for example, disconnects emotional elements such as caring for others (empathy) in paid work in his model, then suddenly re-connects them when he addresses childcare.

The rhetoric that individuals are motivated 'by money' and driven by their 'own interests' when engaging in relationships of exchange also needs unpacking. The connotation of these phrases tends to be morally suspect materialism and selfishness (at least from some leftist, religious or cultural feminist points of view). One is seen as working for love or money; that is out of spiritual values, affection and altruism, or out of crass materialism, self-interest and greed. Such a dichotomy implicitly assumes, however, (along with neoclassical economics), first, that market agents' actions spring from their unquenchable (nonsatiable) wants, and second, that they are autonomous monads.

...Men have traditionally been thought of as having identities defined by separation from nature (that is, being above animals because of a superior consciousness) and from other people (distinguishing themselves from their peers by their individual exploits and accomplishments), to the point of mythical isolation. Women have traditionally been defined by connection (as cooks and childbearers, and as wives, mothers, or daughters of men) to the point of mythical engulfment (Nelson 1999: 48).

In contrast to some schools of neoclassical economists, feminist theorists argue that the emotional elements of the self are not separable (England 1993; Nelson 1993). They have called into question the primacy of 'want' over 'need' in

thinking of care services for the family, and the notion of the 'separative' self. Neslon (1999) argues that a real person desires something for his/her needs, as well as for his/her consumption; when a person is asked what he or she wants the money for, we may hear about groceries and rent as well as fancy clothes, restaurant meals and extravagant vacations. She stresses that whilst it has not been fashionable in mainstream economics to talk about 'needs', human needs for basic food and shelter are at the base of our working for money (Nelson 1999: 48). Similarly, most people at some point in their lives will want money for their children's clothes and education, or their parents' medical bills. Money is used to meet responsibilities rather than to satisfy self-interest in this case. A separative self does not hold up when motivations are more closely scrutinised.

Care-giving involves not only money, but also trust, affection and appreciation (Nelson 1999: 46). This is rarely acknowledged in the analysis of traditional neoclassical economics. The quantity, quality and reciprocity involved in care-work are seldom adequately rewarded in the market (Folbre 2001b: 51). Owing to this lack of acknowledgement, mainstream economic theory is inadequate for explaining the way that women form preferences over care work for the family, and the way society evaluates care work. Here, I explore the emotional involvement in care work, by way of Folbre's exploration of the interaction between personal preferences and social constraints.

2.2.2 Interactions between Individual Preferences and Social Constraints

Social norms affect individual choices. Because individuals form their preferences within both imposed gender roles and their emotional attachment to others, their preferences tend to differ significantly according to their social roles. Social roles may also encourage some individuals to act sensitively according to the 'needs' of others rather than their own 'wants' (Nelson 1999); and the character of emotional involvement can vary by gender, age, sexual orientation, class, race and national context. Gender roles are socially constructed, and women often act within such socially - given roles through emotional involvement (Folbre 1994; Folbre and Weisskop 1998). Regardless of intentions, the present form of care provision for the family helps to maintain and enforce social roles, in the interest of a certain collective group's interests and identity by means of the social construction of work.

Care services are not simply performed on the basis of love but also on the basis of calculations about future return. If care provision is enforced and women cannot expect any future returns from their services to the family, this will discourage them from providing care for the family. Nelson (1999: 44-48) argues that there is evidence that what can drive forth caring feelings is not the movement of money itself, but rather the social meaning given to this movement. She argues that people providing care may come to change the way they feel about what they do, with negative consequences. Worry about market notions of self-exchange comes to corrode ties of affection and obligation (Folbre 1995:83). This suggests that if a person comes to focus on the future return for the care services they provide,

this discourages them from providing care for others (Folbre 2001a). If care providers cannot expect to receive a return from what they do, care services become merely a gift rather than a reciprocal exchange of services (Folbre 2001a; 2001b). This tension between gift (love) and exchange (market) is reflected in sociological and anthropological work on 'gift' versus 'commodity' exchange (Carruthers and Espeland 1998; Nelson 1999:45).

It is important to analyse what motivates women to provide care services for the family. Mothers may have various preferences, but in a market economy, the observable ones will be those of either a dependent mother or career woman. As social constraints can encourage individual preferences to be shaped in a certain form, love is not necessarily the key motivation for mothering (Folbre and Weisskopf 1998, Folbre and Nelson 2000; Nelson 1999). On this basis, Folbre and Weisskopf (1998) argue as follows.

Individuals perform care services for six motivations and are most likely to have mixtures of these motivations. The first is where people take care of others out of a sense of altruism. In this case, people are prepared to do a great deal of work providing care services to those whom they love or for whom they feel affection. A genuine relationship of love or affection may be regarded as completely voluntary, unburdened by any element of coercion. This motive itself is independent of social formation of preferences. However, in reality, people are likely to act because of a mixture of motives, some of which are more evidently affected by social constraints. It is not realistic to expect people's motives to care for others to depend solely on altruism.

Altruism is the term most commonly used to describe satisfaction derived

from enhancing the well-being of another person. Altruistic preferences, however, may be somewhat endogenous, because if they remain entirely unappreciated they often dissipate over time (Folbre and Weisskopf 1998: 175; Folbre 2001b). Parents take loving care of their children for many years, but after a certain point, usually expect their care to be reciprocated to some extent. If this expectation is completely disappointed, their preferences may change. Similarly, a spouse or partner may provide one-sided care out of genuine affection, but, in the long run, lack of reciprocity often dampens the willingness to continue this.

Second, people may do care work because they feel responsible for caring tasks, or feel guilty if they neglect them. Most people recognise certain duties or obligations that they perform even though they derive no direct pleasure from them. One could argue that an individual derives no direct pleasure from fulfilling their duty, but moral categories cannot always be reduced to utilitarian calculus (Sen 1987). It is important to consider the possibility that moral values, central to a person's character and identity, motivate caring labour; for example, the care of senile relatives or the care of a delinquent child. Care labour is undertaken here out of a sense of responsibility, and does not require direct reciprocity between the care provider and the care receiver. Nevertheless, these responsibilities are socially constructed, and are often based on some generalised reciprocity. If fewer people conform to the social norms of responsibility, the norms themselves tend to weaken. Thus, an individual's willingness to fulfil care responsibilities may depend, to some extent, on his or her perception of how seriously others take such responsibilities.

Third, people may take care of others because they intrinsically enjoy helping. They may take care of others simply because they enjoy it: caring can be

its own reward; for example, when parents help a child learn to talk or walk. Participating in this process can be a satisfying and enjoyable experience, although it can also reflect obligation to some extent. That women are generally considered to exhibit this preference, based on enjoyment, to an extent greater than men, suggests that it is not randomly distributed, and is influenced by cultural norms as well as perhaps biological factors (Fuchs 1988). Furthermore, intrinsic enjoyment usually entails some affection for the person being cared for, and often requires some show of reciprocity from the cared-for person.

Fourth, people may take care of others because they expect them to provide something in return. The motivation here involves the expectation of an informal *quid pro quo*. Examples are when two persons living together take turns preparing meals for one another, or two friends take turns caring for one another during illnesses. The caregiver, however, has no guarantee of a *quid pro quo* and no recourse to adjudication if it is not forthcoming; for example, one person within the family may stay at home and nurture the family, while the other earns a wage to provide the financial resources for the household, but there is no guarantee that the care recipient will reciprocate. If he (usually male) fails to do so, the caregiver will cease to do her work. There is a significant element of self-interest here; I am willing to do something for you because I expect that, as a result, you will do something for me. Folbre and Weisskopf argue that people tend to enter into this kind of imprecise and un-enforceable exchange if they can live with the possibility that the other will not reciprocate soon, or if they can trust others ultimately to reciprocate. In both conditions, people show some respect for others in this exchange, and this makes the relation an informal *quid pro quo* rather than a simple

instrumental media for achieving goals.

In the fifth case, people take care of others and are paid or compensated. This is based on a well-defined contract for reward. Much of the care service labour undertaken in our society is done not in the general expectation of some informal *quid pro quo*, but in the virtual certainty of a precisely-defined reward. This is clearly the case with care service labour supplied in the labour market in exchange for an agreed-upon wage. It would appear that most care service labour in modern societies is motivated by contractual reward, for we know that there are legions of hospital workers, school teachers, social workers, day care workers and others, providing care services in exchange for a wage or salary. Nevertheless, many of these workers are likely to act upon other motives in addition to this. Some are also altruistic or feel responsible for those for whom they are caring, derive intrinsic enjoyment from it, or expect informal reciprocity.

Sixth, people do caring tasks in order to avoid a penalty or punishment. Instead of being offered a positive reward for doing the work, they face a negative sanction for failing to do it. Commonly, this will involve some lesser deprivation. For example, the wife in a traditional patriarchal family may do housework, raise children, and provide other services to her husband because failing to do so would expose her to the likelihood of ridicule and possibly social ostracism from the community (Folbre and Weisskopf 1998: 174-8). Folbre and Weisskopf use the term 'coercion' to describe this motive for providing care service labour, because the labour is being produced under duress. This involves cases where a person provides care services out of self-interest rather than not, so the choice to do it is not in that limited sense 'voluntary'. However, in the case of coercion, the terms of the

choices are much less favourable to the person choosing.

It is difficult to identify which care service labours are provided out of a sense of 'affection or concern for others', rather than out of narrow self-interest. It may be that women provide care service labour partly because they are more altruistic than men (England 1989). But what is clear is that socially and culturally constructed gender norms encourage women to take up caring services. Men and women make decisions in a social context. What we want and how we will behave is strongly affected by our perception of what other people want and how they are likely to behave (Folbre 2001b: 30).

The fact that men are reluctant to undertake care work, means that women are pressured into doing it so as to avoid breaking up the marriage. Other pressures come from cultural norms. Folbre (1994: 99) gives the following examples; 'If you do a man's job outside the home you cannot be a real woman inside the home'. 'You think you are as good as a man, but I can beat you'. These threats are based on social norms of how women should be, which are determined at a macroeconomic or macro-cultural level, rather than at an individual microeconomic level. Men's macro-level of norms, regarding their ideal image of women, influences the negotiation between individuals in the household.

Social norms regarding the ideal woman, such as the wife and mother, are constructed by men's collective action, which, in turn, pressurises women to follow these norms. Women may not want to do devalued care work, but violating these norms entails penalties, and if women are afraid of the consequences of violating these norms, they will still take on the responsibility of care work; in this case, care service labour is motivated by coercion (Folbre and Weisskopf 1998).

It is not just social norms, but also a lack of substituting care services, that force mothers to provide care services within the family themselves (Folbre 2001b: 41). For example, Japan and Italy provide little or no social support for child-rearing because both societies have strong pro-family values (Folbre 2001b: 41; McDonald and Kippens 2000). In these cases, women can be coerced into a choice of care-giving because the society's values impose on them a sense of responsibility through to be a 'good' mother.

Whatever the motive or mix of motives, care-giving produces many unintended side effects that are passed on from one person to another in surprising and complicated ways. One clear disadvantage of care giving is the loss of the mother's earnings. Both in the market and in the household, the economic risk attached to having children is, therefore, high (Pujol 1995; Hartmann 1981). Statistical analysis in the US shows that motherhood tends to lower women's earnings even when they do not take much time out from paid work (Folbre 2001b: 34).

Clearly, women, as care providers, bear certain costs because of rearing children. However, it is not always mothers alone who pay the costs of having children. The claim that individuals consider the costs of raising children when making decisions about whether to commit themselves to caring for them does not imply that they are selfish. In an economy in which the private patriarch, employer and male worker do not share the full costs of having children, women can choose either to have children or to continue working without children, but social constraints make it difficult for them to do both. During the pre-industrial era, a private patriarch had strong control over his family members and strong incentives

to have a large family since that directly served his self-interests. At the same time, mothers and fathers clearly have common interests as parents. If children promise important economic benefits, the conflict between individual self-interest and large family size is reduced (Folbre 1994: 76). Men gain from coercive pro-natalism, but they also gain from helping to provide for their children, because it is in their economic self-interest to do so (Divale and Harris 1976; Harris and Ross 1987).

In an advanced industrialised economy, the rising costs of having children pressure parents to have fewer children, because parents need to finance them and invest time and energy in their care. The increasing demands for an educated labour force require parents to support children to obtain educational qualifications (Folbre 1994: 104). In certain circumstances, men respond differently from women to the increased financial pressures that childrearing imposes, and reduce their commitments to children through desertion and divorce (Folbre 1994: 105). If mothers and fathers live together, they share the burden of a reduced market income. In fact, fathers may work long hours in their jobs to make up for this. In addition, many women may be forced to work long hours in low-paid jobs to make up for the lower income, and the risk of separation and divorce is high (Folbre 2001b: 34; Stone 1999). Childcare support agreements are difficult to negotiate and even more difficult to enforce. As a result, women who choose to become mothers risk making themselves and their children vulnerable to poverty and other kinds of economic stress (Pear 1999; Eaton 1996; New York Times 26 April 1999).

Even after a private patriarch withdraws his control over having more children, public patriarchy, such as that of the state and of social organisations, is unlikely to pay the full costs for childcare and rearing. These public agents are also

self-interested, and tend to see children as commodities rather than public goods (Folbre 1995). The costs of children to individuals are heavily influenced not only by relationships between mothers and fathers, but also by relationships between parents and children, families and societies as a whole (Folbre 1994: 105). Due to their weaker social positions, however, mothers are more likely to be left to pay a disproportionate amount of the costs associated with children. The lack of resources for childcare has a coercive effect in guiding women's preferences. Folbre and Weisskopf call this 'patriarchal coercion'.

As this suggests, women form their personal preferences subject to the societal level of finance and ideologies regarding childcare, and in contexts that vary by age, sexual orientation, class, race and national context. If mothers have high qualifications in a country where care services are available in the market, they are more likely to be able to avoid patriarchal coercion. The element of patriarchal coercion is potentially eased by three elements: income, the social provision of care services and the nature of gender roles.

As preferences are formed endogenously, this may create a circular process that greatly lowers enforcement costs (Folbre and Weisskopf 1998:184). This happens because caring may be addictive. Folbre and Weisskopf (1998: 184) argue that adults who spend time providing caring services to dependants often come to feel more affection for their dependents than those who do not. In contrast to the addiction to drugs, this addiction provides positive consequences for society, but it may still have negative consequences for caregivers as individuals. Through this process, the values and norms that pressure women to behave in more altruistic and responsible ways may successfully increase the supply of caring labour by

women. Accordingly, at least some of the happiness and stability of the traditional family rests on coercive practices that limit women's potential for individual autonomy and enforce cultural values and norms associating femininity with altruism and masculinity with self-interest (Folbre and Hartmann 1988). Women's lower valued work and weaker bargaining position within the family creates a vicious circle connected by individual preferences formed within social norms in certain social values.

Accordingly, Folbre (1994) argues that men, in general, have an incentive to act together to pressure women to provide care service labour even when women and children are vulnerable to poverty. The image of the unproductive housewife is connected to a cultural norm that portrays women as dependants who should be grateful for their husband's support. Men want women to take responsibility for devalued care work in the household, since men want to preserve their greater bargaining power in the household and the market. By enforcing the norms that present women's subordination as natural and necessary, men can avoid a conflict of coordination with women who want to both share their care work with someone and have their care work re-valued. Folbre found that there is an implicit dichotomy within the couple behind this coordination: unless either the husband or the wife is willing to sacrifice the time involved in caring, the marriage arrangement must end and the home will fall apart. Since women are more vulnerable financially when marriages collapse, this provides a further incentive for them to work to sustain the home.

2.3 Gender Inequality at Work: Women's Undervalued Work

The costs and risks of caring for dependants have another dimension that has less to do with economics than with psychology (Folbre 2001b: 38). When a person spends time with those who need his or her care, he or she often becomes attached to them. An initial decision to care for someone can lead to a spiralling level of commitment. Usually, it is the mother who agrees to take time away from her career to stay at home with the baby, and to move where the father's career dictates, so that he can earn a salary sufficient to support the family. The father is, however, less attached to the children and more attached to his career and he divides time proportionately between the family and career. Mothers are particularly vulnerable to becoming prisoners of love, if only because they experience the early and intimate physical contact with children.

Time spent on childcare gives us one of the keys for explaining gender bias in time use within the household. The existence of children in the household has a large impact on the time mothers spend in the household in an industrial society. The largest shifts in women's time use are associated with the care of young children (Bittman and Pixley 1997; 101-11). Folbre (1982, 1983, and 1994) argues that the gender division of labour is the outcome of sharing the benefits and the costs of raising children. Society, in the present and in the future, does not redistribute the costs of having children, but leaves them to the mother at the expense of her opportunity costs (Ferguson and Folbre 1981). In an economy in which rewards are increasingly based on performance in paid employment, the costs and risks of parenthood are rising (Folbre 1994, 1998, and 2001b:33).

However, the head of the household, as male breadwinner and 'private patriarch', promotes and forwards the costs of having children onto the wife, who then needs to pay for them through spending time and energy on care work.

On the other hand, the employer and male worker can share the costs of childcare with mothers by offering them paid time off work for childcare, payment during childcare leave, in-firm childcare facilities and re-valuing the nurturing skills that mothers provide in childcare work. One solution is to provide women with entitlements as individuals, rather than as wives or mothers, or to socialise the costs of children (Sainsbury 1996). This implies policies that encourage a strong attachment to the labour market and improving gender equality in earnings, especially the lifetime earnings of mothers (Joshi 1991; Waldfogel 1997). Nevertheless, the state is reluctant to promote such attachment in mothers, on the grounds of efficiency or corporate culture, and this reluctance is to the detriment of working mothers. This suggests that as mothers must look after their children due to their low-valued cultural capital, both the employer and the father can benefit from men spending more time on paid work. Accordingly, women have undervalued skills and capabilities because they are obliged to satisfy the demands of their families. Women's paid jobs can be undervalued because they are given a lower value than their actual value within a social context.

2.4 Fertility Decisions

The decline in the rate of fertility in an economy where people do not share the costs of childcare can be women's reaction against social constraints that do not allow them to be fully-fledged workers and good mothers simultaneously. Technological factors seem to affect fertility by changing individual costs and benefits and fostering certain constraining structures. Folbre (1994: 106) argues that the ability of individuals to respond to changes in the relative risks and costs of family commitments are limited by their institutional context. In particular, decisions on having children are one of the choices made within weighty social constraints through socially given gender roles and emotional attachments (Folbre 1986a).

Social norms and values encourage certain preferences about the sexual activities of an individual, for example when society supports legally married mothers, but not mothers out of wedlock. This underpins the preferences to either work without having children or to be a full-time mother. In such circumstances, fertility decline is not only the result of changing relative prices, but is also the outcome of social contexts regarding sexual activities and mothering. Women find it harder to care for children while working outside the home. This is because as the costs of having children rise, the costs of coercive pro-natalism also increase (Folbre 1994: 108).

According to this analysis, a decline in fertility is linked to a devaluation of women's work and their lower paid positions in the workplace within a social and cultural context. These features of women's work and fertility are not merely the

results of individual preferences but also the restrictions of social constraints. Due to the multidimensional structure of social constraints, socially stronger agents cannot see how they are advantaged in pursuit of their interests, which appear to them to be fair. Socially weaker agents choose the best possible options to satisfy their self-interests and identities and these are more likely to have an emotional or personalised quality orientated to the care of others. In contrast to the view of neoclassical economics, Folbre (1994, 1998), Folbre and England (1999) and Nelson (1999) argue that men and women are not equally altruistic within the household; because of their greater altruistic qualities women tend to become socially weaker agents.

Within Folbre's theory, women's low status in the workplace is presented as the result of their devalued capital and choice of care work, with legal and customary restriction on women's access to high-paid jobs, all in the form of a circular relation. By contrast, women's choice of care work is seen in the neoclassical economic paradigm as a result of individual preferences taken by a person who is free from social constraints. This suggests that Folbre's theory can better explain the differences between one society and another in the pace of change in gender wage differentials and occupational gender segregation. People may or may not choose a job that enables them to gain more skills and capabilities. If individuals pursue their self-interests, they act to add more cultural capital for pecuniary and non-pecuniary gain. Social constraints, however, enhance the pursuit of certain types of cultural capital and diminish the opportunity for other types.

3 Kuran's Theory of Preference Falsification

In contrast to Folbre, in whose account gender and emotions are important factors, Kuran explores the mechanisms of normative interaction between individual preferences and social norms via self-interest in various national and cultural contexts. Although Kuran (1990, 1991, 1993, 1995)'s theory of preference formation focuses little on gender aspects, it shows us the way that social constraints shape various preferences into certain forms, since people usually act in accordance with values and norms that favour the *status quo*.

Kuran stresses that public opinion plays a key role when individuals form preferences. Kuran argues that precisely because people who express different opinions do get treated differently, individuals normally tailor their expressions to the prevailing social pressures in various cultural contexts (1993, 1995: x). Kuran describes and analyses the tailoring of preferences as a source of rigidity, a shaper of ideology, and a cradle of surprise - as in the sudden transition of political systems observed in former communist countries in Eastern Europe. Through his account of preference falsification, Kuran attempts to classify, connect and explicate the unintended consequences of preference falsification.

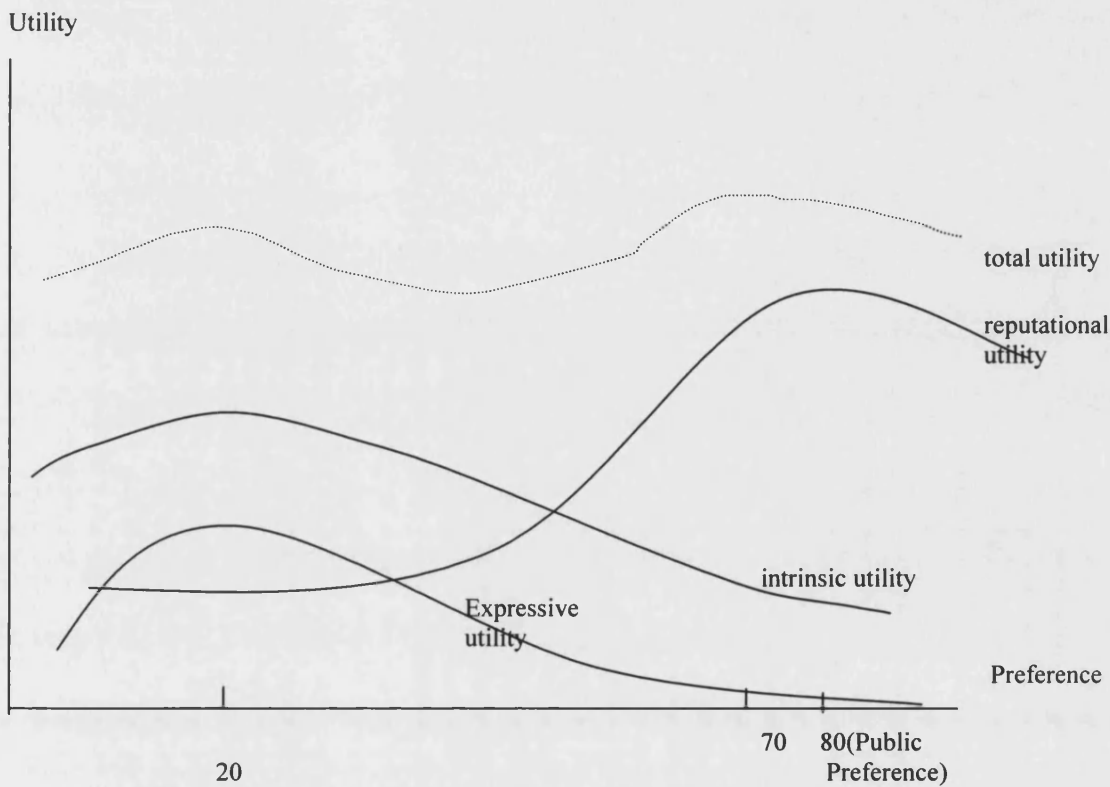
Kuran argues that individual agency and social norms discourage people from expressing preferences on specific issues (preference falsification); and that they create a gap between the preferences that appear in public and the intrinsic preferences that may be of a different order. The preference that an individual ends up conveying to others is called the 'exposed preference'; the preference that reflects his or her genuine preference is termed 'intrinsic preference' or 'private

preference'. These preferences do not always agree with each other because of the tendency to hide some preference that social values and norms discourage them from expressing; people may hide the preferences unconsciously, and such hiding of intrinsic preference is termed preference falsification.

As illustrated in Figure 4-3-1, the exposed preference emerges as the total utility; the sum of utility by intrinsic utility, reputational utility, and expressive utility (Kuran 1995: 36 figure 2.2). Kuran argues that this can be distinguished from 'private preference', which is defined as what a person would express in the absence of social pressures. Intrinsic utility is utility including the satisfaction that people gain by acting according to their private preferences. Reputational utility is the reward gained from others by making a choice on that preference, and expressive utility is self-satisfaction (Kuran 1995: 26-30). Kuran argues that the possible rewards include smiles, cheers, compliments, popularity, honours, privileges, gifts, promotion, and protection. Goldin's work (1995) provides an example; she argues that women may take account of their husbands' preferences in their choice of employment in the rural areas in Colombia. Expressive utility gives the greatest value when a person acts according to his or her intrinsic preference. Kuran argues that people's choices must be satisfying a need other than social approval and respect: people derive self-esteem from resisting social pressures and establishing themselves as people to be reckoned with; people find satisfaction in speaking their minds, opening up their hearts, acting themselves.

Figure 4-3-1: A Case where society's decision is effectively beyond the individual's control

Intrinsic utility being fixed, as individual selects a public preference on the basis of a two-way trade-off between reputational and expressive utilities.



Taken from Kuran (1995), p.37

Kuran explains the interaction between agent (self) and public as follows. Three distinctive considerations may enter a person's calculation; the satisfaction that he/she is likely to obtain from a society's decision, the rewards and punishment associated with his/her chosen preference that appears in public, and finally, the benefits that he/she derives from truthful self-expression (Kuran 1995: 3-21). Usually, this offers a trade-off between the benefits of self-expression and those of

being perceived as someone with the right preferences. Where the later benefits dominate, individuals will be encouraged to engage in preference falsification. With reputational utility and expressive utility, people's total preferences can be guided in a direction that favours current cultural values and norms (Kuran 1995: 24-6).

Kuran, on the one hand, stresses that preference falsification influences a public discourse. To conceal our private preferences successfully, we must hide the knowledge on which they rest; that is, we must reinforce preference falsification through 'knowledge falsification' (Kuran 1990, 1995: 157-246). In doing so, we distort, corrupt, and impoverish the knowledge that rests in the public domain. People conceal from others facts that they know to be true and expose themselves to facts that they know to be false (Kuran 1991, 1993, 1995: 19). The distribution of real preferences across individuals makes up a public opinion and that of private preferences forms private opinion (Kuran 1995: 17). The latter distribution is hidden, and insofar as people's preferences determine which political programmes are to be implemented, it is the former distribution that pressure groups have the most immediate stake in controlling.

Kuran, on the other hand, explains the way that preference falsification in turn affects private preferences. The task requires recognising that our private preferences on political issues rest at least partly on beliefs shaped by public discourse, which consists of the suppositions, facts, arguments, and theories communicated publicly (Kuran 1995: 19). People do learn from their personal experiences and think for themselves, however the limitation of our cognitive power allows us to reflect deeply and comprehensively on only a fraction of the

issues on society's political agenda. However much we might want to scrutinise every issue on our own, we all rely heavily on public discourse, and often on its superficial elements at the expense of our private knowledge and preferences.

Kuran argues that at any given equilibrium, public opinion may differ from private opinion. The equilibrium may owe its existence and stability largely to preference falsification on the part of people who may be unsympathetic to the policies that makes it possible. Such disgruntled people may refrain from dissenting even though they form a huge majority, because of social pressures – pressures that they themselves sustain through acts of preference falsification.

Such an outcome is more likely for issues where private knowledge is drawn largely from others (Foucault 1978; Kuran 1995: 157-175). It is less likely for matters where personal experience is the primary source of private knowledge. Kuran argues that two other factors can influence the level of ignorance generated by preference falsification: one is that if public opinion has reached an equilibrium devoid of dissent, individuals are more likely to lose interest in alternatives to the *status quo*; the other is that widespread ignorance is more likely in a closed society than in an open society that may be affected by external influences (Kuran 1995: 19-20). People are reluctant to disagree with one another. As a number of theorists have argued, the power of suggestion and 'consensus' is so great that it can influence the outcome of simple cognitive experiments (Folbre 1998: 62; Kuran 1995: 78-83; Milgram 1974: chaps. 2 and 3).

This brings us to another possible consequence of preference falsification – the widespread ignorance of the *status quo*'s disadvantages (Kuran 1995: 157-246). Kuran explores how disadvantages may once have been appreciated

quite widely. However, as long as public discourse excludes criticism of fashionable political choices, their shortcomings will tend to be forgotten (Kuran 1995: 19). He illustrates this by the example of the fall of East European communism. People who objected to communism did not know how widely their resentment was shared, but also were ignorant of their biased knowledge regarding the *status quo*, and this encouraged people pervasive sense of powerlessness (Kuran 1995: 124-25). Individuals believed that they could do nothing to change their government or its policies, that attempts at reform were futile, and that the only prudent course of action was co-operation with the Party. In 1985, a survey conducted in Hungary, by then one of the two most relaxed Soviet satellites, found only 10 percent of the population felt capable of doing something against a decision inimical to their interests. The figures compare with 46 percent for the Netherlands and 75 percent of the United States in 1978 (Bruszt 1988). In the process, members of society lose their capacity to want change. The *status quo* is sustained because people are afraid to challenge it, and will persist since no one understands its flaw and can imagine a better alternative.

Kuran's argument recalls what sociologists call 'socialisation' and neo-Marxists call 'false consciousness' (Bourdieu 1977; Cherry 1987; Shulman 1989; Scott 1990) and is inevitably open to question in the way it seems to posit a 'true' or 'real' preference, that has been subsequently falsified or distorted. While he does not satisfactorily address the possible criticisms of this, he does effectively establish the need to differentiate between different levels or kinds of preference, and the likelihood that some are more 'deeply' held than others. True and false elements can blur into one another, partly, as Kuran argues, because sustained

preference falsification creates intellectual narrowness and ossification. When this point is reached, preference falsification ceases to be a source of political instability and people begin to support the *status quo* 'genuinely'; preference falsification has become so effective as to eliminate the inclination to want anything different.

Kuran argues that preference falsification may have unintended consequences. People tend to rely on public discourse as a reference point forming preferences, but the public 'knowledge' they draw on can itself be the product of past preference falsification. Knowledge is subject to serious limitations that tend not to predict the downside of the *status quo*. As people's preference formation is heavily influenced by knowledge, this may lead to unexpected consequences. Kuran points out that we can find the example of unexpected consequences in falls of communist regimes. People in former communist regimes continued falsifying their intrinsic preference as they could not believe that it was possible to act against prevailed rules because of their lack of information. They carried on hiding preferences against public preference, expecting that they, at least, did not lose by doing so. They did not notice that as they hid their preferences, leaders in their countries were misinformed regarding the *status quo* and believed it was still functioning when it was actually malfunctioning. This also applies to leaders in former communist regimes; they were unlikely to see that their restriction of information had encouraged people to falsify their preferences until this caused the fall of the regime. Through this process, preference falsification, and the lack of awareness of it, can have unintended outcomes.

Kuran's theory is insightful in analysing the elements within exposed preferences and why these may bring about unintended consequences. His account

of preference formation is particularly useful in decomposing the element within exposed preferences and in grasping the mechanisms of interactive preferences and social norms and values. Kuran (1995) argues that preference falsification encourage people to support socialist systems in the former Soviet Union, caste systems in India, and racism in the United States.

4 Conclusion

Folbre's theory is highly applicable to the Japanese puzzles; the tendency, for example, for wives with higher qualifications to specialise in unpaid care work at home, while wives with lower qualifications return to part-time paid work; and the rapid decline in fertility from the late 1980s onwards. These puzzling trends have been presented as the outcome of women's preferences, having little to do with other social arrangements. Folbre's theory, by contrast, links the process of preference formation with social norms, exploring the way individuals form their preferences within cultural values and norms that associate, for example, femininity with altruism and masculinity with individual self-interest. Folbre enables us to see that some of the satisfaction or stability of the traditional family relies on a patriarchal coercion of women to provide unpaid care work; and that gender inequality and fertility decisions are shaped by individual preferences interacting with cultural values and norms. This goes a long way towards explaining the Japanese puzzles.

However, the approach is not applicable in a straightforward manner to the Japanese case. Folbre's theory is rich in its study of Western industrial countries,

but there are features specific to the Japanese experience that are less fully taken into account. Societies in Western industrial countries differ from one another, but their differences may be less than the differences between the Western industrial countries as a whole and Japan, particularly in relation to cultural values and norms of femininity and masculinity. Among many others, Lincoln and Kalleburg (1990) argue that the cultural evaluation of work is distinctively different in Japan. Before applying Folbre's model to the Japanese case, we therefore have to explore the specific cultural values and norms associated with femininity and masculinity in the Japanese context.

It is partly on account of this that Kuran's notion of preference falsification is so helpful. First, the notion of the *status quo* is highly pertinent to the Japanese context. Second, Kuran helps explain why a particular set of cultural norms might remain in place, even if they have been economically inefficient. Third, Kuran's explanation of preference formation is particularly useful in clarifying the way that people take account of others in forming preferences when they perform care services for the mixture of motives that Folbre and Weisskopf (1998) describe.

This thesis therefore develops Folbre's account of preference formation by taking advantage of Kuran's account of preference falsification. In the next chapter, I start with some of the historical context of this, looking at impact of traditional gender and class values in the post-war keiretsu.

Part III Explaining the Japanese Experience

Chapter Five

Gender and Class Values in Keiretsu in Post-war Japan

1 Introduction

Gender issues relating to the *status quo* are central to the Confucian element of Bushido (the ethics of the Samurai warrior), in which the samurai is associated with ideals of loyalty such as 'male' seniority and selfless devotion to the male head of society or family. Bushido is derived from three traditions: Shinto (the oldest religious traditions in Japan in which Shintō, represented by the Emperor, ruled society and was worshipped as the son of the God); the Zen sect of Buddhism (a religious tradition stressing loyalty, filial piety and obedience to the authority figure, courtesy or decency, an ascetic style of life, and high regard for learning); and Confucianism (imported from ancient China, modified to match with Zen, teaching that immutable natural principles create and justify a social hierarchy with sharp class divisions, and established in the Tokugawa era) (Yabuki 1905; Hagen 1962).

I argue that gender elements in Bushido still exist in keiretsu as a part of the *status quo* following on from zaibatsu (the primary social organisation in Japan) in the Meiji era. Mito (1991), Morikawa (1992), Woodiwiss (1992), and Kensy (2000) have found that many of the older values of Bushido were carried over from zaibatsu to keiretsu firms. However, they primarily focus on changes in social values that have helped created a new social elite, and say little about the

role of female workers on gender roles in zaibatsu.

Meanwhile, while some of literature notes that women are positioned differently from men in either zaibatsu or keiretsu, little of this work explores the connection between zaibatsu and keiretsu. Hosoi (1980), Hunter (1993), and Garon (1997) argue that from the early stages of modernisation in the late nineteenth century, the values and norms associated with women were markedly different from those attached to men. Hosoi and Hunter focus on young women working in factories under the umbrella of zaibatsu at the lowest rank with very poor working conditions that often harmed their health, and contrast this with male domination of the higher positions. Garon argues that women drew on new values from the West that favoured a clear gender division of work within the couple. Brinton suggests that gender differences in educational institutions can be rooted in the values and norms of parents in the keiretsu economy. Nonetheless, because the central focus of their study of gender values is to illustrate the values associated with women in the Tokugawa and the Meiji era, they have less to say about modern Japan as their main concern is history rather than contemporary economy in Japan.

2 Bushido and 'Ie' System

Before discussing the continuity of the *status quo*, I explain the gendered elements, such as men's selfless devotion to the firm and women's to the family, derived from the Bushido and 'Ie' systems of the Tokugawa era.

Bushido is the code of moral principles that the samurai warriors were required or instructed to observe; its code consists of virtues such as justice, courage, benevolence, politeness, veracity and sincerity, honour, the duty of loyalty and filial duty (Nitobe 2001 [1905]; Yabuki 1905).

Bushido provided the meaning of life in a stable feudal society where samurai warriors were no longer faced with war (Hagen 1962: 340). In this society, the code of Bushido emphasised the duty of loyalty above all and filial duty. Samurai were to devote themselves selflessly to the lord, even at the cost of their lives, and were given the highest honours in exchange for their loyalty. It is important to note that a part of 'honour' involves reputation (Nitobe 2001 [1905]: 72).

Bushido is a mixture of Shinto, the Zen sect of Buddhism and Confucianism shaped to fit to the *status quo* of the Tokugawa era. First, Shinto encouraged people to worship a ruler, such as the Emperor, as if they were worshipping their own ancestors. The influence of Shinto in Bushido was not as significant as Zen Buddhism and Confucianism in most of the Tokugawa era, but was strengthened in the Meiji era when the Emperor replaced the Shogun as ruler of the country (Yabuki 1905; Garon 1997).

Second, Zen Buddhism provided the core of virtues and ideas within Bushido (Nitobe 2001 [1905]; Yabuki 1905). The precepts encouraged samurai to act for rights, honour and duty, and not for financial rewards. Hagen (1962) cites the writing of the vice Shogun, 1628-1700, as follows.

What then the use of samurai class? Its only business is to preserve, or maintain, giri [right, honour, duty]. The people of the other classes deal with visible things, while the samurai deals with invisible, colourless, and unsustainable things...if there were no samurai, right (giri) would disappear from human society, the sense of shame would be lost, and wrong and injustices would prevail (Hagen 1962: 340; Clement 1889: 90).

Third, Confucianism revived Zen Buddhism and established the Bushido code; it encourages everyone to accept and perform the duties within his social position as a natural place in society. The Confucian doctrine of occupation and focused with the Zen teaching of the virtue of work; many merchants also stressed the Zen virtue of simplicity, frugality, and diligence in work as a part of one's filial duty to family (Hagen 1962: 341).

It is also important to note that while Bushido stresses duties (i.e. emotions such as sense of responsibility), it also authorises samurai to use a sword and encourages them to fight if it is justified by the code (Yabuki 1912; Sugano 2003). The sword (*katana*) of the samurai symbolises their power, as they are the only class in society allowed to possess it (Nitobe 1905; Benedict 1946). It is, however, an honour to win against an opponent without using the sword (Nitobe 2001 [1905]; 131-137). Following the Bushido code, samurai first attempt to defeat opponents without the sword but if this is not successful, they can justify their use of the sword (Nitobe 2001 [1905]). Samurai, however, are praised most

for using the sword while performing acts of loyalty; Hagen tells an anecdote of forty seven highly reputable samurai who lost their lord and then revenged the villain in an act of loyalty even when they knew they would have to kill themselves after his death.

The duty of loyalty developed in Bushido was useful in preserving the 'Ie' system. *Ie* is a family based group that owned land in the feudal era and aimed to maintain and expand their land. While clans in China are strongly based on blood ties and heads of the family are chosen from within family members, 'ie' is a large family-based unit which will adopt successors from outside the direct blood family members if they are more efficiently operate the land than a son of the 'ie' head (Yabushi 1912; Kensy 2000). As the 'ie', and not the individual functions as the smallest social unit, each individual within the 'ie' is expected to serve to maintain the land, sometimes at the expense of ignoring blood ties. As genetic ties are weak in the 'ie' system, the landlord and samurai stress the duty of loyalty to the 'ie'. Not only landlords but also samurai formed the 'ie' and constructed a clear hierarchy where the 'ie' of the lord is at the top and the 'ie' of samurai are located underneath it.

The duty of loyalty further developed as conformity to group consensus, and prevailed over classes. People believed that if members in the 'ie' acted along Confucian moral codes, everyone should conform to group consensus that generates group interest. When member conformed to group consensus, this was considered to fulfil the duty of loyalty and rewarded (Miyasaka 1999). The duty of loyalty fostered the attitude of acting collectively within the community as well

as the '*ie*' (Smith 1996: 155-74). During the Tokugawa feudal era, peasants worked as a group of five who collaborated to complete tasks and monitored each other; all five members were rewarded or punished as a collective group (Mito 1991). This work style fostered Japanese people to tie firmly to the others outside the family, i.e. they developed interdependent personal preferences within a non-family group (Fukuyama 1995).

Bushido encouraged women, particularly women in the samurai class, to take responsibilities in their own '*ie*' and obey senior men in the '*ie*' (Yabuki 1912). By the mid-Tokugawa era, the difference in gender roles formed the basis for subservience in the middle and upper classes and had been rigidly codified within the Neo-Confucian-based official orthodoxy (Hagen 1962: 343-46; Goran 1997: 60-87; Woodiwiss 1992: 21-66).

This means that due to Bushido, women in the upper and middle class were more restricted in their activities than before the twelfth century, women were still able to communicate with people outside the family. The position of the samurai woman was based on the principle of respect for men and contempt for women (Garon 1997: 119; Sekiguchi, Hattori, Nagashima, Hayakawa, and Asano. 1998: 102-4) and a strict division between the functional roles of men and women, where the woman's place and role was exclusively within the household as wife and mother. Nitobe (2001 [1905]) illustrates the position of ideal women within the Bushido system as follows.

The accomplishments of our women were not acquired for show or social ascendancy.

They were a home diversion; and if they shone in social parties, it was as the attributes

of hostess - in other words, as a part of the household contrivance for hospitality. Domesticity guided their education. It may be said that the accomplishments of the women of Old Japan, be they might roam, they never lost sight of the hearth as the centre. It was to maintain its honour and integrity that they slaved, and drudged, and gave up their lives. Night and day, in tones at once firm and tender, brave and plaintive, they sang to their little nests. As daughter, woman sacrificed herself for her father, as wife for her husband, and as mother for her son. Thus, from earliest youth she was taught to deny herself...Man's helpmeet, if her presence is helpful she stays on the stage with him: if it hinders his work, she retires behind the curtain. Not infrequently does it happen that a youth becomes enamoured of a maiden who return his love with equal ardour, but, when she realises his interest in her makes him forgetful of his duties, she disfigures her person that her attraction may cease (Nitobe 2001 [1905]: 144-5).

During the course of the Tokugawa Shogunate (1600-1867) the social values stressed by the ruling class filtered downwards to the other classes of society (Hunter 1988: 138; Hagen 1962: 341-43). Among all classes, samurai women in the Tokugawa era (1600-1867) were subject to the strongest gender and age prescriptions (Garon 1997: 119; Sekiguchi, Hattori, Nagashima; Hayakawa, and Asano 1998). Even among the peasantry, where women's contribution to agricultural labour was crucially important, women could not totally prevent the imposition of inferior status in a rigid family and community hierarchy (Hunter 1989; Sekiguchi, Hattori, Nagashima, Hayakawa and Asano 1998: 94-137). Women were subordinate within the domestic sphere, with the senior male head of the household making decisions on behalf of the other family members. Decisions of senior male head were regarded as group consensus women should conform to

in order to fulfil the duty of loyalty.

3 Impact of Bushido and the 'Ie' System on Contemporary Japanese Firms

Some scholars argue that the '*ie*' system has profoundly shaped the work ethic in keiretsu firms (Nakane 1970; Mito 1991; Garon 1997; Williams 1997). They argue that the relationship between employers and employees and between senior and junior employees is not based on 'modern' ideas of contract but rather on principles of Bushido thought prevailing in the feudal era. According to these principles, subordinates will devote themselves to '*ie*' and '*ie*' like group. These scholars argue that 'devotion' persisted in zaibatsu firms in the pre-war era, and continued in keiretsu firms in the post-war era (Mito 1991, 1994; Woodiwiss 1992; Williams 1997). According to them, it is this employer-employee and junior-senior relationship that supports lifetime employment for most men in large keiretsu firms.

Woodiwiss (1992) argues as follows: 'the veneration once reserved for the ancestral spirits and the emperor and the duties consequently owed to them was in large part transferred to social institutions in post-WWII Japan as the '*ie* (household)' clan, or more substantively following the legal demise of the '*ie*', to the institutions and especially the 'kaisha' (large companies) which supposedly embody the '*ie*' essence' (1992: 86). Keiretsu is the group of 'kaisha', in which the pre-war Confucian values and norms are most clearly sustained (Woodiwiss 1992: 86-7; Kensy 2000; Williams 1997: 71-100). Richter (2000) and Kensy

(2000) argue that employees establish networking through senior alumni of elite universities and the networks connect junior and senior male alumni within firms, between firms and between the firm and the government. Kensy as well as Bennett and Ishino (1963) argue that Japanese society and its thinking is intuitively and emotionally based on the principle of overall understanding of the group, the family, the 'ie' and the nation. According to Kensy, this work ethic is functional: he argues that Japanese do not spontaneously form groups or associations but indeed form them on the basis of a pragmatic give and take relationship. Through this relationship, Japanese workers achieve security via the horizontal link with their peers and vertical links with the leaders of keiretsu and the government. In return, the individual is completely loyal and self-sacrificing (Hayashi 1988). Although the system is beneficial in the contemporary economy, its origins lie in Bushido in the feudal era.

Against this picture of continuity, some scholars argue that the Japanese work ethic was more deliberately constructed to achieve the best possible outcome for Japanese firms; i.e. the work ethic has been fostered and maintained for functional purposes (Dore 1973, 1994; Koike 1994; Cole 1994). Dore (1994: 1-9) argues that Koike (1994) and Cole (1994) who analyse the organisation of innovation or keiretsu ties see the horizontal and vertical links in Japanese firms as a simply effective function. In contrast with Kensy and other scholars, these economists rarely question the origins of the Japanese way of networking in the firm.

Koike has argued that as experienced workers establish their connection

to colleagues and managers by male socialisation in the workplace, they only act together with other workers of their private network in dealing with usual tasks (Koike 1988). What appears to be teamwork or group-oriented behaviour in a factory that uses horizontal links is simply that experienced workers perform the non-routine tasks without requiring consent of their managers. This is efficient for the firm as it shortens problem-solving time (Koike 1994; Cole 1994: 3). Like Dore (1973), who stresses the similarity between British and Japanese factories, Koike notes a similarity between Japanese and Swedish factories. Cole further argues that firms may learn by identifying the best operational practices, standardising these practices, and diffusing them throughout the organisation as routines that guide individual behaviour. Despite laying more stress on the organisational setting than Koike, Cole agrees that the current work ethic in Japanese firms was deliberately constructed for a functional purpose.

For these scholars, it was possible to adapt a management style from Anglo-American firms, while retaining many features in common, such as profit maximising (Dore 1973, 1994; Koike 1990, 1994; Cole 1994). For example, the present networking through employer-employee and junior-senior relationships has proved a particularly useful way of minimising costs (Ouchi 1981; Johnson 1982; Schonberger 1982; Monden 1983). This links closely to Koike's efficiency wage theory. As Koike's work increasingly attracted the attention of an international audience in the early 1980s, it was suggested that a Japanese style of work ethic could be profitably applied to companies outside Japan.¹

¹ After 1990s, this trend changed as Japanese firms were encouraged to adopt Anglo-American

My argument here is not that the work ethos in contemporary Japanese firms simply continues practices and values traced down in the feudal era. However, I hope to demonstrate that the persistence of certain gender norms is not driven by consideration of efficiency alone. It is necessary also to understand the power of the '*status quo*' in sustaining certain values, even when these may conflict with long term efficiency.

4 Rapid Transition to Industrial Economy: The Emergence of Zaibatsu

Japanese social organisations emerged as 'zaibatsu' and the rapid expansion of zaibatsu left little time for people to modify the values they inherited from the development of the zaibatsu. Zaibatsu were the group of firms linked to each other by a common main bank and brand name. They originated from family owned business that started from the feudal Tokugawa era (1600-1867). Zaibatsu tend to oligopolise the market, particularly the domestic market.

The pre-war (WWII) state of the Meiji era made use of the existing work ethic of zaibatsu business for a number of reasons. One was to minimise the time for transition from a feudal to an advanced industrial economy (Morikawa 1992). In the late nineteenth century quest for economic modernisation that pointed towards the export economy, zaibatsu were seen as the most fitting form of business organisation (Morikawa 1992).

corporate governance in which employers will no longer provide lifetime employment to most men (Akio Morita, President of Sony then 1992; Kimoto 1998; Yoshida 1996). However, this may increase wage differentials between workers and proportion of workers with unstable employment

Industrialisation in Western industrial countries proceeded gradually. In contrast, Japan underwent a rapid transition to an industrial economy from the late nineteenth century, in order to keep its economic and political independence from the threat of the West. Japan had sustained a feudal style planned economy system under a policy of no contact with foreign countries from the eleventh century to the mid-nineteenth century. But, in the course of less than two decades from the 1840s, Japan had been made abundantly aware of its own inadequacies in the face of Western pressure (Hunter 1989). It saw other nations in Asia being subjected to political subjugation, colonisation and economic exploitation. According to Hunter, this was the main driving force behind Japan's industrialisation.

In the mid-nineteenth century, American battle ships visited Japan and demanded that the Tokugawa Shogunate open the country to trade with the Western countries. This created tension between two groups of powers: one supported the emperor as monarch while the other group defended Tokugawa Shogun. After a few years of political upheaval, including civil war, the emperor's supporters finally won and governed the country from 1868 under the Meiji emperor (Jansen 2002: 333-70).

In its determination to avoid colonisation, the Meiji Restoration government (1868-1911) employed very strong leverage in economic policies. For example, it launched the imperial universities in order to increase the educated male elite familiar with western technology. The Meiji government also invested heavily from its already scarce resources in industrial development; by the 1880s

(Hayashi 1999: 3).

it launched state-owned export firms such as silk reeling, cotton, ironworks, munitions plants, and shipbuilding (Morikawa 1992; Jansen 2000; 374). These state factories imported the methods of production (machines, managers and engineers) from Western industrial countries and made Japanese managers and workers familiar with factory methods and standardised export products (Jansen 2000; 374).

Faced, however, with a limited supply of entrepreneurs with capital and management skills, the government made considerable use of a small number of merchant families from the previous period (Morikawa 1992). These families therefore played a significant part in, and profited from, the government's initial efforts in industrialisation. Morikawa (1992) has outlined the active role played by merchant companies, such as the Mitsui, Yasuda, Okura, Fujita, Mitsubishi, Sumitomo, Furukawa and Asano Zaibatsu. The family origin of zaibatsu encouraged a specifically Japanese form of business, where companies organised in family organisations without subsidiaries.

Although zaibatsu thereafter transformed into multi-subsidiaries, and control by the founding family was eventually lost, the form of business connection these instituted largely remained in place until their abolition by the occupying forces of the United States (Morikawa 1992).

The speed of the industrialisation process meant that many of the values and practices from the Tokugawa feudal era were carried over in the organisation of zaibatsu. Some were modified, others were dropped, and a new emphasis on educational qualifications emerged. However, there is a striking continuity.

5 Emergence of Standard Work Patterns and Changes in Norms and Values

5.1 Values associated with Working Life in Zaibatsu

A major modification to Confucian thought in Bushido occurred with the transition to the zaibatsu economy.² First, the worship of classical Chinese culture was modified while the 'ie' system remained. The Meiji State placed the emperor at the head of the state, and strengthened the social position of a newly emerging elite class, including merchants and politicians (Woodiwiss 1992; Williams 1997; Morikawa 1992). There had been two schools of Confucianism in the Tokugawa Shogun's government: one supported by the 'ie', Satsuma the South West of Japan and attaching higher value to classical Chinese culture; the other such as Chochu in the West of Japan, supported by the Meiji Restoration government with the Emperor, rejecting Chinese culture, and fostering intense nationalism with a powerful emotional and mythical devotion to the emperor (Hagen 1962: 342-43; Woodiwiss 1992: 41-66). Eventually, the latter school won the Civil War in the late 1880s and parts of Bushido such as wearing a sword, moral codes based on Zen Buddhism and classical Chinese Confucianism disappeared (Nitobe 2001 [1905]). The modified Bushido encouraged people to devote themselves to the Emperor as the head of national 'ie' system and maintain 'ie' system in the family by devoting themselves to a senior male head.

Three new values emerged in the zaibatsu economy; first, that the

² As a Confucian element strengthened, Nitobe 2001 [1905]) argues that the authentic form of

government and zaibatsu were united by national interest and identity, second, that high importance was to be attached to Western knowledge of advanced technology, and third, that society accepted seeking self-interest. It became important for employees to demonstrate this through educational qualifications from authorised educational institutions.

On the first point, political leaders in the government and merchant companies were educated in similar Confucian codes and collaborated to avoid Western colonisation. According to Goran (1997), the keiretsu elite and the leaders in the government shared a common identity and ideals. Although the head of the state changed from Shogun to the Emperor, members of zaibatsu and the government were accustomed to conform to group consensus for '*ie*'-like group such as zaibatsu, following Confucian codes (Hagen 1962; Mito 1991; Miyawaka 1999). This made it easier for the government to guide the zaibatsu in the development of the export industry (Morikawa 1992; Roberts 1973).

Secondly, the zaibatsu economy stressed the importance of educational qualifications and Western knowledge. However, zaibatsu also limited the use of Western knowledge, preferring to adopt Western technology without what they saw as the ideology associated with it. For example, they were suspicious of a relationship between employers and employees based on formal contract, seeing this as competing with Confucian ideas based on informal and emotional ties between employers and employees (Garon 1997: 118-20; Woodiwiss 1992: 85-95). Social values and norms embedded in Confucianism therefore continued to mark

'Bushido' died in the Meiji era when samurai class abandoned.

the higher educational qualifications from the imperial universities; the graduates from these formed a new elite class, and obtained high social positions in the government and zaibatsu businesses.

Zaibatsu followed two strategies in employment to satisfy both old and new values. First, they preferred their workers, and particularly their managers, to be able to take up tasks in the multiple fields of business under its umbrella. As zaibatsu covered not only various types of industry but also finance and needed managers trained by Western instructors, they wanted university graduates. However, the number of graduates then was so limited that zaibatsu used the same university educated managers in various types of tasks (Morikawa 1992). Secondly, they preferred those willing to sacrifice their own interests and define their identities in relation to the firm and nation (Roberts 1973; Woodiwiss 1992: 21-40). In return for this selfless devotion via conforming to group consensus, but also reflecting the shortage of graduates, the elite managers received lifetime employment and progressive wages by age from the early twentieth century onwards (Mito 1991; Economics Planning Agency 1992; Morikawa 1992).

5.2 Values Associated with Family Life

The values associated with the standard work life pattern in zaibatsu form a dovetailed pair with the values of family life. In both cases we can see a modification of old values in Bushido by new.

In the Meiji era, members of the family were subordinate to the head of

the family '*ie*' and were expected almost to worship him as the benevolent patriarch. This was similar to the Tokugawa era. The relationship between the head of the family and family members resembled that between feudal lord and subordinate; in both cases, the person in authority valued members willing to sacrifice themselves to the '*ie*'. The responsibilities of the authority to the members, however, were not clearly defined in these relationships, and certainly not as compared with Western ideas of a relationship based on well-defined contract. Indeed, the Meiji government even expanded this in the 'Kyoiku Chokugo' (Educational Code of the Emperor) in 1890 (165-66). The Meiji Constitution also emphasised strict gender norms (Sekiguchi, Hattori, Nagashima, Hayakawa, and Asano 1998; 165-66; Woodiwiss 1992: 19-67). Both penal and civil codes clarified the rights of the male head of the family giving him further control over the children as well as over the wife. This included the right of inheritance prioritising down from the oldest lawful sons to lawful daughters (article 970); establishing that the head of the '*ie*' could decide the place to live and the person to marry for daughters under 25 years old and sons under 30 years old (article 749, 750); that the husband could control the wife's assets; and that the wife should carry out the daily family responsibilities on behalf of the husband (article 801, 804) (Sekiguchi, Hattori, Nagashima, Hayakawa, and Asano 1998; 164).

New gender values from the West were subsequently incorporated into this. The Meiji government increasingly subscribed to 'modern' education for women, although still on the basis of the old Bushido perception of a woman's

role (Hunter 1989; Garon 1997: 118-20). The law on women's higher education in 1899 declared that the wife should obey the husband rather than the clan; attachment to her husband rather than the clan '*ie*' was therefore stressed (Sekiguchi, Hattori, Nagashima, Hayakawa, and Asano 1998: 166-67). This encouraged wives in the middle class to become full-time housewives and wives in the working class to work only in family owned businesses as women in the middle class are affected by the ideal of the "good wife and wise mother" that represented a new construction of the 1890s.

Some intellectuals educated abroad, such as the Home Ministry's Kiyoura and Yukichi Fukuzawa, condemned the servile position accorded to women in the text of Confucianism, in which women would be perceived as so dull-witted and temperamental that they would spoil their children and hinder their development (Garon 1997: 119-20). As Japanese intellectuals were influenced by the protestant women, the state promoted monogamy (Garon 1997: 100). A few intellectuals such as Tokoku Kitamura, Shizuko Wakamatsu and Yoshiharu Iwamoto, further developed the ideal of marriage by their romantic marriage in the early Meiji era. Although romantic marriage was rare, it was idealised as a progressive form of marriage amongst intellectuals who acquired Western knowledge (Sekiguchi, Hattori, Nagashima, Hayakawa, and Asano 1998: 148-49). With the strong influence from the West, the Minister of Education then, Dairoku Kikuchi and Yoshiharu Iwamoto stressed that the role model of 'modern' women should be taken from the West (Sekiguchi, Hattori, Nagashima, Hayakawa, and Asano 1998: 166-67).

Ironically, this gender discourse strengthened the strict gender division of work between the husband and wife (Sekiguchi, Hattori, Nagashima, Hayakawa, and Asano 1998: 166-67). Although wives had often worked outside the home with family members before this, after the Meiji government emerged, the State encouraged women to stay at home:

“women [in Japan] have always ruled inside the home. They are the ones who must attend to family education and other matters. ... If they are allowed to join political associations, they will neglect their duties as women. Such a situation would greatly disturb household management, as well as harm family education... Such a provision would produce grievous results for the future of the State” (Statement of Keigo Kiyoura, chief Ministry of Home Ministry of Police Bureau, later Prime Minister at Diet (Japanese Parliament) Lower House 1 March 1890).

The new version of gender norms affected all women, but also linked women's work status to class. Working class mothers were encouraged to work for pay as well as be 'good' wife and 'wise' mother (Garon 1997: 128); and one of the main effects of the new norms was that women became less likely to work in zaibatsu factories and more likely to work in family-owned businesses (Mode Column April 2003: 4). This trend continued: although in 1920, 15.2 per cent of female workers participated in manufacturing, in 1930, this had declined to 13.6 per cent; in 1920, 8.1 per cent of female workers worked in family owned retails and wholesale and in 1930, this had increased to 11.6 per cent (Showa Dojinkai 1957: 30, 33; Takenaka 1989: 177).

Mothers in the middle class, meanwhile, tended to take up sole childcare

responsibilities. In the earlier versions of Bushido, mothers could rely on other women for child rearing. Among poorer families during the Meiji era, young girls or 'komori' (child minder) were commonly hired to care for children, whilst mothers engaged in productive labour (Tamanoi 1991; Garon 1997: 120). Not until the late nineteenth century did the political elite and middle-class Japanese start to play the central role in child rearing, stimulated by the "social hygiene" drives and pronatalism of the nation's Western rivals (Tamanoi 1991; 803; Pivar 1973: 170; Garon 1997: 120). Once influenced by Western norms, however, Bushido values and norms tied mothers to childcare services; because of the image of the 'good' wife and 'wise' mother, mothers had difficulties getting support for childcare services (Sekiguchi, Hattori, Nagashima, Hayakawa, and Asano 1991/1998: 167).

From approximately 1900, the wives of elite managers took on stricter gender roles and, in the 1910s and 20s, this form of family became common in middle class households (Sekiguchi, Hattori, Nagashima, Hayakawa, and Asano 1998: 142). In contrast, mothers in the working class tended to share childcare responsibilities with other women in the family. As a large size family is convenient for family owned businesses, the working class family contained elderly parents (often the husband's parents), young couples with children and other kin of the husband (Sekiguchi, Hattori, Nagashima, Hayakawa, and Asano 1998:169-76; Garon 1997; 127-29).

One impact of Western gender norms was women's education. Parents in the middle class encouraged their daughters to enter newly established educational

institutions where they were taught how to deal with the household and take care of the family as future wives of 'elite' managers in zaibatsu (see the details in Chapter Six).

Accordingly, the rapid transition to zaibatsu economy carried over Confucian traditions of obedience to the husband, and encouraged wives to take up even heavier household responsibilities. Zaibatsu firms expected male members of the elite to have wives to support them, while expecting female workers to be from the working class.

Since the zaibatsu became the prototype for social organisations in Japan, the government and zaibatsu successfully transformed the social structure in Japan. Zaibatsu even used their ample funds for educational institutions to ensure a supply of educated managers, launching higher educational organisations to increase the number of managers familiar with knowledge from the West. As a result, the government and zaibatsu were interlocked in seeking the national goal of Japan becoming the top exporter in the world economy.

6 Keiretsu as the Successor of Zaibatsu

6.1 Keiretsu as the Revival of Zaibatsu

Zaibatsu were dismantled immediately after World War II through anti-trust initiatives, but have been reintegrated as Keiretsu. Allen (1981: 15) defines keiretsu as 'a close knit, vertical hierarchy of undertakings centred on a large concern which organises and in part finances a population of associated firms and their contractors'. Some of these groupings are based on the old zaibatsu, but they are more informally constructed. Examples of these new groupings are Toyota and Toshiba. Keiretsu succeeded zaibatsu, not only through corporate names such as Mitsui, Mitsubishi, and Sumitomo, but also through the way they connected with the government and in the form of their hierarchy (Richter 2000; Roberts 1973). Thus, many of the large-scale Japanese companies that today wield enormous influence over the contemporary world economy had their origins in the zaibatsu (Morikawa 1992: xv; Kensy 2000; Williams 1997: 71-84; Woodiwiss 1992: 69-154).

It has been argued that zaibatsu revived as keiretsu as a result of the Korean War but even before 1950, the five largest firms in their respective fields accounted for all of Japan's plate glass, photographic film, aluminium, beer, automobiles and tyres (Roberts 1973: 415). Roberts argues that this striking restoration of the pre-war order was no accident, but was the result of plans laid out in some unknown sanctum of Japan's power elite. A less dramatic hypothesis

is that the zaibatsu combines were never really broken up, and that after the American anti-trust zealots departed, all the social and economic factors at work in Japan favoured a revival of the system that had proved so successful in the past (Roberts 1973: 415). Thus, in spite of the anti-monopoly law passed in 1947, the concentration of industrial production was also pronounced.

Some zaibatsu survived the dismantling process and recreated their group networks as Keiretsu. By law, keiretsu cannot be family-owned or hold shareholdings of subsidiaries, but they can still act together as a group, sharing the same interests and identity. Former zaibatsu, such as Mitsui, Mitsubishi, Sumitomo, Yasuda, Okura and Fujita, reformed as keiretsu in the post-war era. Fuyou, Daiichi Kangin (Kangyo Bank) and Sanwa emerged as new keiretsu, and developed a similar pattern of association as the former zaibatsu. As Table 1-7-1 in Chapter One indicates, many of the large-scale firms in the later 1990s had their roots in former zaibatsu.

6.2 Values Associated with Work Life in Keiretsu

Many of the values and norms in zaibatsu were carried over to keiretsu, in particular, those of selfless devotion to the firm. Male employees identify strongly with the prevalent social opinions that are formed from the social organisations they work for (Lincoln and Kalleberg 1990; Roberson 1998; Kensy 2000). Woodiwiss (1992: 87). Mari Osawa (1993) calls this identification 'kigyoshugi' (selfless devotion to the firm and prioritising corporate interest above self and

family interest).

As will be demonstrated in Chapter Eight, keiretsu appreciate similar values to the zaibatsu. Keiretsu regard those selflessly devoting to the firm via conforming to group consensus as 'good' (Williams 1997: 73; Dore 1971; Befu 1974; De Vos 1973; Miyasaka 1999). Not only 'ie'-like group in the Tokugawa era and zaibatsu but also keiretsu make decision according to group consensus (Mirai-city 2003). As this saves time of decision making if employees conform to group consensus imposed by senior men, this persists in keiretsu (Miyasaka 1999). For example, employees in keiretsu accept a job requiring them to live away from the family. In return for this level of commitment, the employer is provided with a good salary (seniority wage) and job security (Clark 1975; John C. Beck and Martha Beck 1994). He is also provided with possible job satisfaction, subsidised accommodation, health care insurance, pensions, the use of holiday resorts, and frequent company outings. This employment also brings with it social status (Williams 1997; Roberson 1998; Dore 1973). Japanese companies have promised their workers secure and continuous employment, even when the need for labour diminishes, but the other side of the coin is that employees are expected to give freely of their time when the demand for their labour is high (Lincoln and Kallegerg 1990: 144; Williams 1997: 73; Befu 1989).

Significantly, membership of keiretsu became even more important to men than membership of the previous zaibatsu because the keiretsu offered the majority of their male workers security of employment and higher than market level wages. Historically, employers had offered a seniority wage and lifetime

employment only to male workers with high qualifications that were in short supply. After the 1970s, however, the keiretsu provided these benefits to a majority of their white-collar and a selection of their blue-collar workers (Futamura 1987; Ono 1989; Nomura 1992; Mari Osawa 1993).³ Many blue-collar workers were less fortunate, and were made redundant after the first oil crisis in 1973.

6.3 Values Associated with Family Life

A new Constitution from 11 February 1946 ended the rights of the male household head to control property and regulate the marriage of other members of the family. As a result, the '*ie*' system has been legally abandoned. Penal and civil codes also ended the control of the male head of the family over children and wife, and emphasised the equality of the sexes. The individual was now supposed to be free to choose his or her occupation, where to live, and whom to marry. However, laws relating to employment and the family were affected on the surface only, because social and cultural values fostered by the pre-war government still prevailed (Nishihara 1981; Ida 1993; Sekiguchi, Hattori, Nagashima, Hayakawa, and Asano 1998).

The gender norms in the post-war era associated married women with

³ Firm trade union means a trade union organised within an individual firm which solely bargains with the employer. This is a common form of trade union in Japan; trade unions in Japanese firms are organised within individual firms rather than organised according to occupation in industry, as in Western industrial countries. In some cases, firm trade unions form the association of industry-based trade union. Its tie is, however, relatively loose.

domestic and childcare responsibilities, and perpetuate much of the thinking about 'romantic' marriage from the Meiji Era. Idealised romantic marriage, however, encourage married couples to adhere to strict gender divisions of work at the home (Garon 1997: 166-67). In 1995, it was reported that a majority of men and women today prefer romantic over arranged marriage (Prime Minister's Office 1996: 27). In 1995, 87.1 per cent of those interviewed said they choose their marriage partner while only 9.9 per cent entered an arranged marriage (Inoue and Ehara 1999: 11).⁴ This contrasts with 1957-62, when 52.5 per cent of marriages were arranged (Prime Minister's Office 1996: 27; Ministry of Health and Welfare 1998: 56). The increase in the proportion of romantic marriages has, however, coincided with an increase in the proportion of couples with a strict gender division of work between the husband and wife.

As will be shown in Chapter Nine, this is largely because adult children now work apart from elderly parents, and parents are less likely to be financially dependent on their grown up children. Before the 1970s, parents and family members pressured children to get married because they saw this as the crucial means to security in old age. For this purpose, they often arranged marriage for single grown up children. However, now that adult children and elderly are more likely to live independently, the pressure to get married in order to produce children who will support one in later life became weaker (Retherford, Ogawa and Matesukura 2001).

While relations between elderly parents and adult children were

⁴ This excludes couples married by other than arranged and romantic marriage.

weakened, relations between mother and young children were strengthened after the 1970s. Social norms did not favour working mothers, prizing instead the 'professional' housewife who takes up the role of Ryosai Kenbo (the 'good wife and wise mother'), and is willing to accept her subordinate role to her husband and, indirectly, to her husband's employer (Hamabata 1990; Hendry 1993: 227).

And, interestingly, the role of 'good' wife and 'wise' mother is similar to that of 'good' workers in keiretsu. In the workplace, the man who follows the ideal image of a 'good' worker will be rewarded highly and allowed some limited autonomy (Lincoln and Kalleberg 1990; Aoki 1988). This is mirrored in the position of the wife at home. The husband will retain control over the large financial decisions, but will 'reward' his wife with considerable discretion over smaller scale household spending.

As will be demonstrated in Chapter Nine, the role of women as daughter or mother has changed. Young people have migrated to urban areas for paid employment, and young women, in particular, are more likely to work for pay while they are single. In zaibatsu factories, it was mainly daughters of the working class who worked for pay before marriage. In keiretsu firms, however, daughters of the middle class also participate in paid employment; typically in white-collar rather than blue-collar jobs (Roberson 1998) and mainly before marriage or having children.

Before marriage, single women are less restricted than married women. Increased opportunities for paid employment enable them to enjoy financial independence; this is particularly so for single working women with higher

educational qualifications. However, as will be shown in Chapter Seven and Eight, such women have difficulty staying employment after marriage. Post-war changes in gender norms have largely affected single women; they have much less impact on the lives of married women.

7 Conclusion

Although many elements of Bushido were modified in the Meiji era, a few were carried over from zaibatsu to keiretsu. The Bushido ideals regarding the senior male head of 'ie', single daughters and elderly parents, were modified through the development of the economy. However, it maintains the ideal of clear gender division of work between the husband and wife. As keiretsu expanded lifetime employment to blue-collar workers who survived lay-offs in the early 1970s, this trend prevailed. Furthermore, it maintained attitudes such as conforming to group consensus from the Tokugawa feudal era, through pre-war zaibatsu to the post-war era (Miyasaka 1999). The attitudes are rewarded as selfless devotion to the employer which follows the footsteps of Bushido.

The gendered *status quo* of the keiretsu economy persists, partly because of the importance attached to group consensus. People believe that if they act according to the appropriate social norms (devotion to the firm for men, devotion to the family for women), the others will recognise them as virtuous and reward them accordingly.

According to Kuran's account of preference formation, people tend to

shape their preferences according to others' perceptions of what is 'good'; this perception becomes the *status quo*. What people regard as 'good' changes over time, but people typically look to the near past in the formation of their preferences. In this process, their preferences are influenced by what other people perceive as 'good'; this enables them to achieve what Kuran calls a high level of 'reputational utility'. As noted in Chapter Four, if reputational utility has a significant weight in the sum of utilities, people will tend to act according social norms because they will gain from good reputation.

Reputational utility is particularly important in Japanese society. Men tend to group consensus as their decision (Mirai-city 2003; Kensy 2000). If they conform to group consensus, they have good reputation as they are considered as acting selflessly for the employer's interest. This encourages men to conform to the standard work pattern for good reputation as they believe good reputation secure their jobs. Husbands with the standard work pattern need wives specialising in care work in the home. If their wives do so, they believe they will secure their family life by good reputation. Husbands and wives may conform to the clear gender division of work if they anticipate the loss of reputation. This further encourages men and women to voluntarily maintain a clear gender division of labour as 'good'.

The suggestion here is that Japan maintains its current *status quo*, because of processes similar to those outlined by Kuran. Modified Bushido values and norms may sometimes come into contradiction with Western values and norms; for example, seniority and sexism may not always be efficient. Normally,

one would expect such contradictions to act as a pressure for change. However, in the Japanese context, the strict gender division of work between husband and wife has proved remarkably slow to change: not, I suggest, because it has proved particularly efficient, but rather because of the processes that can modify individuals' preferences and thereby sustain the *status quo*.

Chapter Six

Household Reproduction of Cultural Capital through Education

1 Gender Differences in Education

Levels of education for young Japanese women are now much higher than before the 1970s. In 1975, only 18.2 per cent of university graduates were female.¹ The proportion of female students in universities was 22.1 per cent in universities students in 1980 and increased to 38 per cent in 2001 (Ministry of Education 1985; Ministry of Education, Culture, Sports, Science and Technology 2003). Women are now as likely as men to continue into higher education, at least when we count the number of women who are educated in junior colleges (Table 6-2-1).² Despite the high level of participation in higher education by women, there is, however, a marked gender pattern; first, there are fewer women than men in four-year university education, as young women tend to attain their educational qualifications from junior college (2 years) instead of university (4 years) as shown in Table 6-1-1; second, even within university education, men and women tend to study different subjects at differently ranked universities, with some women preferring women-only universities, and most men preferring prestigious mixed-sex universities.

¹ Calculated by the data from Prime Minister's Office (1996: 237).

² Boys and girls aged 15-19 are educated in high school, which provides three-year education after nine-year compulsory education.

**Table 6-1-1: The Percentage of Male and Female Students Taking a Higher Degree,
1965-1998**

	Going to High School (%)		Going to University (%)		Going to Junior College (%)	
	Female	Male	Female	Male	Female	Male
1965	69.6	71.7	4.6	20.7	6.7	1.7
1970	82.7	81.6	6.5	17.3	11.2	2.0
1975	93.0	91.0	12.5	40.4	19.9	2.6
1980	95.4	93.1	12.3	39.3	21.0	2.0
1985	94.9	92.8	13.7	38.6	20.8	2.0
1990	95.6	93.2	15.2	33.4	22.2	1.7
1991	95.8	93.5	16.1	34.5	23.1	1.8
1992	96.2	93.9	17.3	35.2	23.5	1.8
1993	96.5	94.2	19.0	36.6	24.4	1.9
1994	96.8	94.6	21.0	38.9	24.9	2.0
1995	97.0	94.7	22.9	40.7	24.6	2.1
1996	97.1	94.8	24.6	41.9	23.7	2.3
1997	97.0	94.8	26.0	43.4	22.9	2.3
1998	97.0	94.8	27.5	44.9	21.9	2.2

Source: Ministry of Labour (1999a), Appendix 54.

Note: The percentage of those going to High School is given by (the numbers of those going to High School full-time and those going to High School part-time)*100/(the number of those who graduated from Secondary High School).

The Percentage of those going to Junior College or University is calculated by (the number of those going to Junior College or University)*100/(the number of students who graduated from High School three years ago)

Gender differentiation is reflected in not only in the length of time in higher education, but also in the type of university. In the first place, men are more likely to study in elite mixed-sex universities than women; women make up 18.8 per cent on the average on the same degree course at the top ranking universities in Japan (Table 6-1-2). Tokyo University and Kyoto University are respectively ranked first and second among the public universities. At both, the proportion of female students is just 14 percent. At other public universities in the

top ranks the proportion of women is between 16 and 25 percent. The top private universities have a gender imbalance as well. At both Waseda and Keio universities, women constitute approximately 20 percent of the students. Thus, the more highly ranked the university, the smaller the proportion of women.

Table 6-1-2: The Proportion of Female Students in the Top Ranked Universities, in 1994

	Men	Women	Ratio of Women Relative to Men (%)
<i>Public University (formerly imperial)</i>			
Tokyo University	14,002	2,351	14.4
Kyoto University	11,650	1,919	14.1
Hokkaido University	8,808	2,510	22.2
Tohoku University	9,777	1,867	16.0
Nagoya University	7,514	2,062	21.5
Osaka University	10,112	2,299	18.5
Kobe University	9,005	3,012	25.1
Kyushu University	8,939	2,426	21.3
<i>Private University</i>			
Waseda University	40,285	8,446	17.3
Keio University	27,629	6,901	20.0
<i>Total</i>	147,721	33,793	18.6

Unit: Figures are the proportion of (Number of Male Students: Number of Female Students)

Date Source: Asahi Original (1995)

Note: Table Created by the Author.

The other point to note is that there are quite a few female-only universities in Japan: 89 out of the total of 561 universities in 1995 (Asahi Original 1995). Amongst 89 colleges, 41 are located in Tokyo and Osaka, the two biggest cities, whilst the other half are located in provincial cities. These universities are popular choices for degree courses in the humanities, home economics, art, education and medical care. Although some of the female universities are ranked highly, they are limited in that they do not offer courses in

business skills.

One result is that even when both men and women study at university, there is gender segregation by subject. The courses in the female-only schools and the junior colleges emphasise subjects such as education for children and home economics; Brinton (1993) points out that home economics, education, and humanities reigned supreme at junior colleges with about 65 percent of the student population in these three fields.

The female students who do make it to the top universities tend to take courses in humanities and law (Table 6-1-3) The B.Sc. in Law, a popular course at all the universities, is the second most popular choice for women. The students who study law are recruited as civil servants and white-collar workers in major private enterprises. Women make up from 11 to 31 percent of all law students at the ten prestigious universities.

Table 6-1-3: The Proportion of Male and Female Students by Subject in the Top Universities, in 1994

	Humanities	Law	Natural Science	Engineering
Tokyo University	70:30	89:11	88:12	95:5
Kyoto University	66:34	81:19	94:6	96:4
Hokkaido University	57:43	78:22	83:17	94:6
Tohoku University	63:37	81:19	88:12	96:4
Nagoya University	39:61	69:31	83:17	94:6
Osaka University	50:50	70:30	85:15	94:6
Kobe University	46:54	71:29	80:20	93:7
Kyushu University	42:58	71:29	80:20	95:5
Waseda University	48:52	82:18	-	94:6
Keio University	44:56	70:30	89:11	-

Unit: Figures are the proportion of (Number of Male Students: Number of Female Students)

Date Source: Asahi Original (1995)

Note: Table Created by the Author.

It is important to note that the roots of gender differences in higher education lie in the pre-war era in Japan. In the pre-war era, the policy in public universities was to accept only male students in seven universities, run by the Imperial State, which were founded to provide technocrats for the government and elite white-collar workers for zaibatsu. Every university had a school-specific entrance examination, and generally employers saw passing these examinations as a sign that a person would be a productive worker. It was more important which university someone went to than what he studied and what skills he might have gained there. In contrast, the main purpose of schooling for girls was to prepare them to be “good wives and wise mothers” (Ryosai Kenbo) (Cummings 1980; Machiko Osawa 1988).

Even after World War Two, the gender features of pre-war schooling remained, despite the fact that after the war the leader of the Occupational Forces reformed the school system towards a more American style, aiming to abolish sex-segregated schooling (Brinton 1993). Many universities began to accept female students. However, some male and female-only high schools, junior colleges and universities continue to exist today. After the war, an educational track for girls was established which offered two-year courses after high school. During this period, various state and private universities and 'female-only' colleges emerged, and these remain the core institutions of higher education today.

2 Returns from Educational Qualifications by Gender

This gender differentiation has a marked effect in terms of employment prospect particularly in keiretsu.

Men set a good return from their educational qualifications in elite universities to paid employment. Not only elite employees in keiretsu, but also civil servants, elite bureaucrats and members of the Diet (the House of Commons in Japan) are most likely to be graduates from Tokyo University. It is reported that between 1985 and 1994, Tokyo University graduates were more likely to serve in the highest ranked civil servant group in the central government. The central government employed 5,151 Tokyo University graduates as compared to 2,107 Kyoto University graduates, the second most popular group (Asahi Original 1995:155). Between 1947-94, 2008 members of the Diet had graduated from Tokyo University; this compares with 1019 members from Waseda University,

and 544 members from Chuo University (Asahi Original 1995: 153).³

Even though the government eased regulations to allow for the establishment of new universities after the war, employers within keiretsu and the government itself have continued to employ men from elite universities, believing that the best employees are to be found there (Brinton 1993). Even in 1957, over 80 percent of corporations within the Japanese Federation of Employers (JFE) hired graduates from a selected group of universities as white-collar workers and the civil service hired more than half of its new employees from Tokyo University alone (Cumming 1980). This trend continued to the 1990s.

However, this preference for graduates from elite universities only applies to men, not women. In contrast to their male counterparts, female Tokyo University graduates tend to obtain few paid positions in a keiretsu. Despite the fact that since 1975 the proportion of women with high qualifications has increased, female students are less likely to obtain highly paid jobs in larger firms such as the keiretsu.

Human capital theorists argue it is because women have lesser qualifications that they have less opportunities of high paid jobs. Though there is some element of this in contemporary Japan, the evidence suggests that some other factors are affecting women's educational qualifications and employment. Gender differentiation is particularly wide in some keiretsu firms where employers favour male graduates from Tokyo University. Table 6-2-1 shows that

³ In 2000, the proportion of professional civil servants from elite private universities (i.e. former Imperial universities such as Tokyo University) had record high of 23 per cent pass rate for the entrance examination. The trend to select graduates of Tokyo University for high ranked bureaucrats is weakening (Nikkei Hourly News 2002b 19 August 2002).

male graduates from Tokyo University are more likely to have a Director or President position in a keiretsu; in 1996, amongst 244 manufacturing firms in heavy industry, banks and international trading companies, 63 firms tend to offer the Director positions and above to male graduates of Tokyo University.

with the High Proportion of Tokyo University Graduates' Directors, in 1996

Keiretsu	Proportion of director from Tokyo University	Female University Graduates / University Graduates	Junior College graduate / Female University Graduates	no. of Female Tokyo University Graduates, 1987-1999	no. of Female-only university Graduates, 1987-1999
group head	60.0%	8.8%	50.0%	1	4
group head	44.1%	0.0%	n.a.	1	2
Sumitomo	38.9%	1.9%	0.0%	0	3
independent	38.4%	3.3%	800.0%	0	2
independent	19.0%	25.0%	n.a.	1	1
Shinittetsu	18.2%	0.0%	n.a.	n.a.	n.a.
Shinittetsu	22.7%	21.7%	340.0%	n.a.	n.a.
Hitachi	23.1%	0.0%	n.a.	0	0
group head	13.9%	11.1%	166.7%	0	9
Mitsubishi	24.4%	21.6%	14.3%	0	n.a.
Sumitomo	26.3%	0.0%	n.a.	0	n.a.
group head	44.4%	0.0%	n.a.	n.a.	n.a.
Furukawa	36.8%	0.0%	n.a.	n.a.	n.a.
group head	33.3%	2.3%	700.0%	n.a.	n.a.
Sumitomo	31.4%	23.9%	n.a.	n.a.	n.a.
independent	14.8%	47.8%	0.0%	0	6
Mitsubishi	20.8%	0.0%	n.a.	0	0
Tosha	15.8%	0.0%	n.a.	n.a.	n.a.
Hitachi	26.9%	9.9%	14.3%	1	8
independent	15.8%	8.3%	300.0%	n.a.	n.a.
group head	23.3%	11.3%	100.0%	0	1
Sumitomo	25.0%	0.0%	n.a.	No Comment	No comment
Hitachi	33.3%	0.0%	n.a.	n.a.	n.a.
independent	20.0%	22.2%	60.0%	1	5
Canon	23.1%	9.1%	16.7%	0	1
group head	43.6%	10.0%	n.a.	n.a.	n.a.
group head	45.9%	16.4%	n.a.	No Comment	No comment
Mitsubishi	26.3%	6.7%	n.a.	No Comment	No comment
Sumitomo	43.2%	12.0%	333.3%	n.a.	n.a.
Furukawa	36.1%	10.0%	n.a.	n.a.	n.a.
Fuyou	22.6%	n.a.	n.a.	1	2
Ito (Sumitomo)	20.0%	25.0%	0.0%	0	3
group head	19.4%	6.7%	n.a.	No Comment	No comment
group head	26.2%	10.0%	120.0%	No Comment	No comment
Mitsui	28.6%	0.0%	n.a.	n.a.	n.a.
Hitachi	14.3%	3.8%	0.0%	0	2
Mitsubishi	48.8%	3.2%	n.a.	n.a.	n.a.
group head	25.6%	2.1%	0.0%	n.a.	n.a.
Tosha	32.4%	3.3%	n.a.	1	0
group head	44.2%	0.0%	n.a.	No Comment	No comment
group head	18.6%	18.9%	242.9%	0	1
Nissan	27.3%	0.0%	n.a.	0	4
Mitsubishi	34.1%	2.8%	1375.0%	1	0
independent	13.2%	5.1%	0.0%	n.a.	n.a.
Nissan	40.0%	5.7%	40.0%	0	2
Mitsubishi	34.6%	11.9%	0.0%	0	5
er government	57.1%	30.2%	82.8%	1	10
er government	66.7%	21.9%	176.2%	n.a.	n.a.
group head	27.1%	24.7%	480.0%	no comment	no comment
er government	22.2%	21.6%	337.5%	no comment	no comment
er government	52.4%	53.4%	44.7%	n.a.	n.a.
Mitsui	26.8%	1.3%	2514.3%	no comment	no comment
Mitsubishi	57.1%	4.2%	3600.0%	no comment	no comment
Fuyou	50.0%	9.1%	1025.0%	no comment	no comment
Sumitomo	38.3%	19.2%	415.2%	no comment	no comment
group head	15.2%	18.9%	471.4%	n.a.	n.a.
group head	12.8%	40.0%	143.8%	no comment	no comment
independent	13.5%	50.2%	13.0%	0	4
Fuyou	21.6%	30.6%	0.0%	no comment	no comment
Mitsui	14.7%	60.8%	4.2%	0	5
Mitsubishi	25.5%	28.4%	1.5%	no comment	no comment
Sumitomo	27.7%	35.5%	5.5%	no comment	no comment
Mitsubishi	38.5%	11.4%	0.0%	n.a.	n.a.

(2000). Data processed and created by the author.
as in 1996.

There is a wide gap between the proportion of female graduates and of male graduates from elite universities who are employed in keiretsu and an even wider gap if we look at the proportions of female and male directors. One survey showed that 60 percent of directors came from Tokyo University in Shinnittetsu (New Nippon Steel), the highest proportion, while the lowest was 13.2 per cent, found in Mitsubishi Jidosha Kogyo (Mitsubishi Automobile). The major city banks, often founded in the pre-war era, and the international trading companies show the same trend. In 1996, 11 city banks offered between 12.8 per cent and 66.7 per cent of their Director positions and above to male Tokyo University graduates. In 1996, 6 trading companies provided between 13.5 per cent and 38.5 per cent of their Director positions and above to male graduates from Tokyo University.

If human capital theorists are right, one would expect these firms to be equally likely to hire female graduates of elite universities such as Tokyo. Table 6-2-2 shows that the relative proportion of female to male graduates was 18.6 per cent in elite universities in 1995. We might then expect the keiretsu that favour these universities to hire the same proportion, 18.6 per cent, of female to male graduates. The same point would apply to university graduates in general; as the proportion of female students in all universities was 32.3 per cent in 1995 (Ministry of Labour 1999a: 244), in theory, female university graduates should be 32.3 per cent of newly employed university graduates in this year.

In fact, in 1996, most firms hired a significantly smaller number of female university graduates. In manufacturing, only in Fujikura did women comprise 47.8 per cent of the graduates hired in 1996. As many as 13 firms hired

no female university graduates in 1996. And where women graduates were hired, they were very few compared with male graduates; in 19 manufacturing firms, the proportion of female graduates was less than or equal to 10 per cent, far below the proportion of female university students, in 1996.

In contrast, two of the major banks, Tokyo Ginko (53.2 per cent) and Tokai Ginko (40 per cent), hired a significantly high proportion of female university graduates. In international trading companies, half of the six keiretsu firms hired more than 32.3 per cent of female university graduates in 1996. This presumably reflects the gender differentiation in degree subjects: manufacturing firms are more likely to prefer male university graduates, who are more likely to have taken science degrees.

One particularly interesting feature is that the keiretsu seem less likely to employ female graduates from the elite universities such as Tokyo University than female graduates from female-only universities or junior colleges (see Table 6-2-1). Female graduates from female-only universities and colleges, where the female motto is creating 'Ryosai Kenbo' (good wife and wise mother), are more popular in keiretsus than female graduates from Tokyo University (Brinton 1993). During 1997-1999, only seven manufacturing firms hired female Tokyo graduates (Table 6-2-1). Sixteen manufacturing firms and two international trading companies hired no female Tokyo graduates. As many as 35 firms refused to open their data on female employment..

In contrast to female graduates from Tokyo University, graduates of female-only universities do seem to find employment in keiretsu. During the same period, 19 manufacturing firms employed graduates of female universities; those

in positive figures indicate the minimum number of graduates from female university. The positive figures are calculated from cases where firms hired one person from each female university listed in female-only university graduate employment lists. This trend is the same in the city banks and the international trading companies.

Most of the preferred female-only universities were established in the late nineteenth or early twentieth century and teach subjects not directly related to business (Table 6-2-2). Although some female students in elite universities also take humanities and home sciences, others study the same subjects as their male counterparts, such as law, natural science and engineering. This suggests that female students in female-only universities possess different types of skills from female students in mixed-sex universities.

Table 6-2-2: Popular Female Universities in Keiretsu, 1997-1999

Name	Degree of Popularity	Year of foundation	Departments	Religion	Ownership	Location
Tokyo Female University	14	1918	Humanities	Christian	Private	Tokyo
Tudajuku University	9	1901	Home science		Private	Tokyo
Nippon Female University	8	1902	Humanities, home science		Private	Tokyo
Felith University	5	1871	Humanities	Christian	Private	Tokyo
Shirayuri University	5	1979	Humanities		Private	Tokyo
Seishin University	5	1915	Humanities		Private	Tokyo
Jissen University	5	1900	Home science		Private	Tokyo
Ochanomizu University	4	1876	Humanities, home science		State	Tokyo
Kyoritsu University	4	1887	Humanities, home science		Private	Tokyo
Tokyo Home Science University	2	1882	Home science		Private	Tokyo
Ohtsuma University	2	1908	Humanities, home science		Private	Tokyo
Atomo University	2	Ansei' 6th year, before 1867	Humanities, home science	Confucian	Private	Tokyo

Unit: Degree of popularity = number of firms that employed graduates of the university

Source: Raw data from Toyo Keizai Shinpo Sha (1999). Data processed by the author.

The other characteristic of keiretsu is that keiretsu banks tend to prefer female junior college graduates over female university graduates. More than half

of the firms hired a larger number of female junior college graduates than female university graduates. In 1996, fifteen out of 63 (excluding firms that responded 'n.a.' for number of female junior college graduates they hired) firms were twice or more likely to hire female junior college university than female university graduate. In seven manufacturing firms and eight banks, the number of female junior college graduates is more than 200 per cent of the number of female university graduates. This suggests that keiretsu tend to prefer female junior college graduates to female university graduates and that this trend is particularly strong in banks.

The above findings suggest that the gender gap in employment in keiretsu cannot be attributed simply to a gender gap in qualifications, and supports the argument of this thesis, that social values and norms have a significant impact. Human capital theory can explain why keiretsu employ female junior college graduates for the less responsible positions. However, it cannot fully explain why keiretsu are unlikely to hire female graduates of the elite universities such as Tokyo. The women employed in keiretsu are more likely to have been educated to follow a traditional form of social norms, and are more likely to take up assistant jobs. Lam (1993) argues that female university graduates are over-employed in assistant and dead-end career paths in banks (see the details in Chapter Seven). This further confirms that education in female-only universities or junior colleges better matches the demand from keiretsu.

3 Higher Educational Qualifications for Employment

Following the main hypothesis in Chapter One, I argue that men and women in Japan choose their level and type of education and the subject of study with a view to expected future returns.

Survey results show that people anticipate the difficulties they will face because of a lack of adequate education. In 1997, 18.5 percent of men and 14.6 percent of women wished that they had much higher educational qualifications when working in a company; 11.6 percent of men and 7.1 percent of women wished they had better educational qualifications in order to achieve a higher income; 7.3 percent of men and 1.5 percent of women wished so due to a delay in promotion (Economic Planning Agency 1997; Ministry of Health and Welfare 1998: 185).

This suggests that, men are more likely than women to regret the lack of educational qualifications as they help them get high paid positions. The fear of losing out on good paid employment pressures both men and women – but particularly men - to obtain higher educational qualifications. The Ministry of Health and Welfare (1998: 177) suggests that men may study subjects they do not necessarily wish to study, and may not choose the university they really want to go to because they can only expect keiretsu employment if they graduate from a prestigious university. This relates to the fact that it is difficult for men to move into a high paid job if they start out in a lower paid position; they need to ensure that their qualifications will propel them immediately into high paid career tracks (Ministry of Health and Welfare 1998: 177). Due to this, seek educational

qualifications from a prestigious university because of the future reward of being able to work in a keiretsu. This discourages them from choosing less prestigious universities, or subjects other than those valued by the keiretsu.

Surveys indicate that people want the highest possible qualifications not only for purposes of employment but also for their socialisation inside and outside the workplace. In 1997, for example, 14.8 percent of men and 18.2 percent of women said they experienced difficulties in socialising with others when they felt their educational qualifications were not good enough (Economic Planning Agency 1997). It was reported that 72.1 per cent of people felt that without high educational qualifications, there was less opportunity to become successful (Economic Planning Agency 1997).

People also indicate that they attach a high value to job satisfaction. In 1995, for example, 66.7 percent of workers in full-time employment agreed that they would be satisfied with their position if they enjoyed the work (Economic Planning Agency 1995). In the same year, 80.6 percent of workers in full-time employment said that they would prefer a job with relatively lower social status if it brought job satisfaction (Economic Planning Agency 1995).

These results suggest that people would like to be employed in work that gives them intrinsic satisfaction, but at the same time, believe they need high educational qualifications in order to be successful. In light of this, it is reasonable to postulate that people invest in their education and skills with an anticipated future goal in mind. Accordingly, social values and norms affect people in their choices regarding the level, type, and subject of higher education.

4 Women's Educational Qualifications and Marriage Arrangements

It is important to note that as men and women can expect different returns from education, they may have different purposes in investing in education. Even if women choose the same level and business-related type of education as men, few of them will get the same rewards in employment. For keiretsu employment, women need a different level and type of education from men. As keiretsu prefer female graduates from female-only universities or junior colleges, women are encouraged to select these schools. To some extent, it seems irrational for any women to apply to the elite, four-year universities.

Taking account of this, I suggest that women make their choices regarding education in the expectation of return in both employment and finding a marriage partner; second, the return from education does not simply rely on the length of time in education and the type and subject of study, but also on other elements such as gender. The key additional elements are selfless devotion to the firm for men and to the family for women.

I hypothesise, that is, that women form their educational preferences in ways that reflect their more complicated gender identities. In their life-course, most women expect to be a wife and later, a mother. When making decisions on their education, they therefore need to take into account what level of education will be best for them for the purposes of marriage, mothering, and employment. Women as well as men often accept the *status quo* as given and constant and may then prioritise their womanly roles above their employment ones, particularly when they cannot expect to get paid as well as men or continue working after

having children (see the details in Chapter Eight and Nine).

Changes in gender roles during a woman's life course can make it difficult for women to pursue the same role consistently. Women's work patterns are thus a consequence of choices made with multiple and conflicting gender identities. Marriage arrangements in Japan have much importance (Ministry of Labour 1998: 57) and most women make choices regarding paid employment within these marriage arrangements in mind.

While attitudes towards marriage arrangements have changed since the 1970s, most men and women still expect to marry. Although they now delay the age of marriage, men and women still prefer to get married when they find an appropriate partner. In 1997, 85.9 percent of single men and 89.1 percent of women said they would like to get married, once they found the right partner (Inoue and Ehara 1999: 14).

However, in contrast with men and women before the 1970s, they prefer a late marriage (Retherford, Ogawa, and Matsukura 2001). The main reason men and women in age group 25-34 gave for remaining single in 1997 is that they had not met the right person; the second biggest reason is that they wished to enjoy their single lifestyle (Inoue and Ehara 1999: 15).⁴ Although changes in social values and norms enable women to stay single, a large percentage of women get married by the age of 35; it is reported that 92 percent of women were married by the age of 35 in 1990 (Table 6-4-1).

⁴ Multiple answers are made for this question.

Table 6-4-1: The Proportion of Single Women in the Total Number of Women in Age Group, 1950-1990

Age Group	1950	1955	1960	1965	1970	1975	1980	1985	1990
15-19	96.5	98.2	98.6	97.5	97.8	98.6	99.0	98.9	98.2
20-24	55.2	66.4	68.3	68.1	71.6	69.2	77.7	81.4	85.0
25-29	15.2	20.6	21.7	19.0	18.1	20.9	24.0	30.6	40.2
30-34	5.7	7.9	9.4	9.0	7.2	7.7	9.1	10.4	13.9
35-39	3.0	3.9	5.4	6.8	5.8	5.3	5.5	6.6	7.5
40-44	2.0	2.3	3.1	4.7	5.3	5.0	4.4	4.9	5.8
45-49	1.5	1.7	2.1	3.0	4.0	4.9	4.4	4.3	4.6
50-54	1.2	1.2	1.6	2.1	2.7	3.8	4.4	4.4	4.1
55-59	1.2	1.0	1.3	1.7	2.0	2.6	4.4	4.4	4.2

Unit: percentage

Source: Japan Statistic Bureau Management and Coordination Agency (1995).

Note: Figures calculated as (a number of single women in age group/ the total number of women in age group).

This suggests that women's preferences regarding marriage are, at least, ambivalent. Women today may prefer to stay single and in employment (Inoue and Ehara 1999: 14). Most of them, however, still prefer marriage and having children over paid employment and single life. One of the major reasons why women prefer marriage to paid employment is, of course, financial security (National Institute of Research Advancement 1993b).

It is, therefore, likely that women take account of not only employment prospects but also marriage in choosing their level and type of education. And if we look at the attributes men and women seek in marriage partners, we can additionally see that while some education is beneficial to women in seeking a husband, high qualifications are not crucial concern.

Men and women prioritise different attributes when making choices regarding their marriage partner. Certain attributes are used to "screen" potential

partners; for example, women in the 1990s still wanted that their marriage partner to be a little older (Inoue and Ehara 1999:10), have better educational qualifications, and earn more than they did. Even as recently as the late 1990s, women find their partners' educational qualifications important. In a 1997 survey in which respondents are allowed to give multiple answers, men and women alike regarded personal character as the overwhelming consideration, and neither sex regarded a partner's educational qualifications as very important (National Institute of Population and Social Security Research (NIPSSR)1997; Ministry of Health and Welfare 1998: 59). However, while merely 50 per cent of single women regard qualifications as either important or very important, nearly 75 per cent of single men were indifferent to their partner's qualifications. Men are also relatively indifferent to a partner's occupation or income. They are slightly more likely than women to rate personal appearance as very important (Table 6-4-2)

Table 6-4-2: The Proportion of Single Men and Women who give importance to a Marriage Partner's Attributes, in 1997

<i>Partner's Attributes</i>	<i>Very Important</i>	<i>Important</i>	<i>Indifferent</i>	<i>I do no know</i>
<u><i>Personal Character</i></u>	(%)	(%)	(%)	(%)
Single Men	82.9	12.3	2.6	2.2
Single Women	99.2	5.6	1.0	1.1
<u><i>Partner's Educational Qualifications</i></u>				
Single Men	2.2	21.3	74.3	1.1
Single Women	7.7	42.0	49.2	2.4
<u><i>Partner's Occupation</i></u>				
Single Men	3.0	32.8	61.8	2.4
Single Women	21.6	56.1	20.9	1.3
<u><i>Partner's Income</i></u>				
Single Men	2.8	32.8	61.8	2.4
Single Women	21.6	56.1	20.9	1.3
<u><i>Partner's Appearance</i></u>				
Single Men	19.8	54.3	23.3	2.7
Single Women	12.8	54.4	31.4	1.3

Source: National Institute of Population and Social Security Research (NIPSSR) 1997.

Note: Single men and women are in the age group of 18-35, who intend to get married in the future.

If women's educational qualification is not as important as men's in terms of screening in paid employment and marriage, why do women even bother to obtain higher educational qualifications?

Men's attitudes seem at odds with practice; men say they do not care about a partner's educational qualifications, but in fact most people marry partners with similar qualifications. Wakisaka (1990) argues that women look for a man who is taller, older, and has the same educational qualifications, but educated in the higher ranked schools or universities, when selecting a marriage partner. Men on the average score more highly than women in all three attributes. While height and age are given attributes, a person's educational qualifications are a matter of choice, at least to some extent (Wakisaka 1990: 125).

Some studies have shown that educational qualifications play an important role in matching marriage partners. The Ministry of Health and Welfare (1987) found the following in its survey on marriage couples (Table 6-4-3). First, men and women tend to choose a partner with the same educational background. Second, the educational superiority of husbands is stronger for men with higher education. The probability of university-educated men marrying a university-educated woman is 3.5 times larger than if coupling were random. Similarly, men with a university degree are 2.4 times more likely to have a wife with a junior college degree. In contrast, these men are less likely to seek wives educated to high school-level. The probability of this is 0.8 times what it would be if matches took place at random.

Table 6-4-3: The Combination of Education of Husband and Wife, in 1987

<i>Wife/Husband</i>	<i>Secondary School</i>	<i>High School</i>	<i>Vocational College</i>	<i>Junior College</i>	<i>University</i>
Secondary School	2.78	0.69	0.83	0.40	0.09
High School	0.66	1.32	1.02	1.10	0.78
Vocational College	0.53	1.00	2.03	1.11	1.09
Junior College	0.14	0.54	0.96	1.92	2.39
University	0.04	0.22	0.20	0.27	3.49

Unit: Figures = Ratios

X axis = Husband's Final Education. Y axis = Wife's Final Education.

Data Source: The Ministry of Health and Welfare (1987). Source: Wakisaka (1990), p.126

Note: If all men and women are indifferent to education when they get married, all figures in the table become 1.00. If the figure is smaller than 1.00, the combination is less favoured. If the figure is larger than 1.00, then the combination is favoured.

Married women with university degrees are likely to have husbands with university degrees, and the more prestigious a university the women graduated

from, the stronger this tendency becomes. It was reported that wives with a degree from Tokyo University had husbands with university degrees (Satsuki Kai 1983). As many as 99 percent of these women have partners in the same schooling group, while just 1 percent chose someone from a lower schooling group. Eighty percent of them had partners with degrees from Tokyo University.

As age and educational qualifications for men are such an important part of the cultural capital of the keiretsu economy, it is rational for single women to select men of the appropriate age and qualifications as marriage partners. Marriage perceptions have been changing as single women have increased their opportunities in paid employment (Inoue and Ehara 1999: 10). For the most part, however, it remains 'rational' for women to follow a selflessly devoted wife and mother role, because that clear gender division of work at home is still perceived as the best possible route to success. So long as educational qualifications help both marriage prospects and paid employment, it may be 'rational' for women to invest in higher educational qualifications even if they eventually anticipate life as a wife and mother.

Moreover, education can empower women during marriage, by increasing their bargaining power (Blair and Lichter 1991; Strober and Kaneko-Chan 1998), and it is notable that married women often wish they were better qualified – but for domestic rather than employment reasons. Once married, women are more likely than men to feel that their educational qualifications are inadequate for marital life; in 1997, 4.1 percent of women wished to have higher educational qualifications for family life whilst only 1.2 percent of men wished so (Ministry of Health and Welfare 1998: 185). This suggests that the return from educational

investment is understood in the Japanese context not solely in terms of future earnings or employment, but also in terms of marital satisfaction.

Social values and norms help men and women shape their preferences regarding education by taking men's paid employment and women's marriage into account. Accordingly, the present form of gender difference in education and marriage arrangements is not only a consequence of women simply preferring the 'traditional' marriage arrangement and child rearing to paid employment. Women may modify their preferences to fit socially given values and norms. The more they believe that the *status quo* is constant over time, the more likely women are to shape their preferences to fit social values and norms. This applies to the Japanese case where a large proportion of people tend to believe the status quo is constant over time in a keiretsu economy.

5 Parents' Preferences on the Education of Sons and Daughters

Parents' views of the traditional gender division of work in Japan are also reflected in the way they invest in the education of their sons and daughters. Funds for schooling are a major issue for parents. The US Department of Education (1987) found that half of American students in higher education receive state-sponsored loans. However, in contrast, Nakata and Mosak (1987) found that, on average, parents in Japan pay 80 percent of the costs of higher education for their children. Due to limited public assistance, boys and girls are dependent on their parents' sponsorship, and thus not always free to undertake the schooling of their choice. This means that the present generation of adults controls the choices

of the next generation in Japan.

It is reported that 64 percent of parents in 1973 and 70 per cent of parents in 1993 wanted their sons to go to university (Nihon Hoso Kyokai 1998: 54). Highly educated parents are more likely than less educated parents to want their sons to have a higher education. Indeed, it is reported that 80 per cent of parents with educational qualifications higher than junior college wanted their sons to be educated at university (Nihon Hoso Kyokai 1998: 53-4). Parents' aspiration that their sons receive higher education has been stable for twenty years.

In contrast, between 1973-93, parents have become more concerned that their daughters should also have higher educational qualifications. In 1973, 42 percent of parents preferred daughters to have education up to high school level, but in 1993, only 19 percent of parents preferred so (Nihon Hoso Kyokai 1998: 55). Parents in 1993 were more likely to want their daughters to have higher education than in 1973. In 1973, 22 percent of parents preferred daughters to go to a university, whereas in 1997, 40.5 percent of them preferred so (Nihon Hoso Kyokai 1998: 54). This trend is the same for junior college education. In 1993, 40 percent of parents wanted their daughters to go to a junior college while 30 percent of them wanted this in 1973. As is the case with sons, parents with higher educational qualifications are more likely to want their daughters to be educated at university. Indeed, it is estimated that 67 percent of highly educated parents wanted daughters to have university education (Nihon Hoso Kyokai 1998: 56). However, when comparisons are made between son's and daughter's levels of education, parents are twice as likely to prefer sons to receive a university education (Nihon Hoso Kyokai 1998: 55).

Between parents, mothers are keener than fathers on their children's higher educational qualifications. In particular, mothers are more likely to prefer their sons to go into higher education than fathers. It is estimated that in 1997, 73.9 percent of mothers and 68.9 percent of fathers wanted their sons to have a university education (Inoue and Ehara 1999: 141).

The most frequently cited reason why parents wanted their children to go into higher education is that they will have wider general knowledge. Indeed, in 1997, 48.5 percent of parents who wanted daughters to university, 38.6 percent of parents who wanted daughters to go to junior college, and 34 percent of parents who wanted sons to go to university agreed with this (Inoue and Ehara 1999: 141).

The second most popular reason is that parents want children to achieve knowledge and skills that are useful in society. In 1999, 24.6 percent of parents who wanted daughters to go to junior college, 28.3 percent of parents wanting daughters to go to university, and 30.9 percent of them wanting sons to go to university agreed with this (Inoue and Ehara 1999: 141).

The third most popular reason is that parents want to protect their sons from being disadvantaged in the work place. Again in 1997, 17.8 per cent of parents who wanted their son to go to university agreed with this, whilst only 4.3 per cent of parents wanting daughters to be educated at university and 4.1 per cent of those wanting daughters to be educated at junior college cited this as a reason (Inoue and Ehara 1999: 141). By contrast, 8.8 per cent parents say they want their daughters to attend junior college because they want them to have a happy marital life. Only 0.7 percent of parents mention a happy marital life as a reason for sons

to have a university education (Inoue and Ehara 1999: 141). This suggests that parents tend to invest in their son's education more for reasons of paid employment, and their daughter's education more for their marital life.

Parental preferences regarding children's education reflect gender differences, and this in turns helps sustain gender differences in education. But the preferences do not arise from nowhere for they are clearly consistent with the realities of the Japanese economy. As discussed in Chapter Five, keiretsu as well as the central government will employ male students from elite universities such as Tokyo University since they expect them to have the necessary cultural capital.

If the present *status quo* is taken as given and constant, it is rational for parents to encourage sons rather than daughters to receive educational qualifications from a highly ranked university.

Parental preferences on children's education matter in Japan. Because parents bear the financial responsibilities for their children's education, it is difficult for sons and daughters to disagree. If children wish to act against the *status quo*, parents may opt not to finance their child's education.

A perception gap between generations suggests that when children disagree with parents regarding their own education, they ultimately follow parental choices. Inoue and Ehara (1999: 36) argue that the younger generation is less likely than their parents' generation to hold on to prevailing gender perceptions, and this generation gap is significantly wide. Only 22 per cent of the people under 45 years old agreed with a traditional gender division of work at home, as compared with 32 per cent of those in age group 46-55 and 54 per cent in age group 56-65. Given, however, the financial control of parents over

educational choices, this growing generational differences may have little impact on young people's lives.

6 Conclusion

Women and men in Japan follow different educational paths; a significant proportion of women study non-business subjects at female-only universities or junior colleges, while men tend to study business related subjects, and prefer elite universities such as Tokyo. This inevitably means that they have different employment prospects.

This pattern cannot be explained just in terms of human capital theory because if so, women graduating from elite universities would also get jobs in keiretsu. It seems that keiretsu prefer female graduates from female-only universities or junior colleges to those who have followed a more 'male path. The crucial point in understanding the mismatch between educational aspirations and employment prospects is that education in Japan is considered a matter of both employment and marriage.

This is particularly so for women. As argued in Chapter One, men's and women's work in the workplace and home form a dovetailed pair: male elite workers and female assistant worker; breadwinner husband and supportive wife. Elite female workers fit neither of these relations. As a result, they tend to be excluded from elite male career path. The power of these dovetailed pair works as what Kuran calls the *status quo*. Men and women form their preferences regarding educational investment with reference to the *status quo*, which they believe to be

unchangeable.

Social values and norms in the post war era have eased single women's gender roles as daughters, and have made it easier for them to obtain higher educational qualifications and to be in paid employment. Married women's gender roles, however, have changed little and, in many ways, their responsibilities have become heavier. This situation is reflected in choices regarding a daughter's education. Parents choose to invest in their son's education because they expect their sons to be socially successful by attaining the necessary cultural capital in elite universities. By contrast, daughters and their parents make choices about education, not only in relation to the prospect of paid employment but also in relation to marriage. Because sons and daughters get little financial support for their education from the government, parental control over education is significant. Even when sons and daughters favour an equal division of work in the family and would like to invest in education accordingly, they may not be able to do so.

It is not, I argue, appropriate to take the present gender differentiation in education simply as a reflection of a gender difference in educational preferences, because these preferences are formed in a 'rational' response to the realities of both marriage and the labour market. Men and women alike may be said to distort their pure preferences to bring them in line with the *status quo*, and this is further reinforced by parents' decisions on where and how to invest in education.

Chapter Seven

The *Status Quo* and Vertical Gender Segregation

1 Introduction

Gender wage differentials in Japan cannot be fully explained simply by reference to educational qualifications. They are to some extent explained by length of time in paid employment in keiretsu, according to the standard explanations for the gender pay gap in Japan which rely on a combination of human capital theory, statistical discrimination theory and Koike's efficiency wage theory. But while this analysis explains some of the pay gap and gender segregation, it does not, as I have argued, provide a full explanation for the prevalent Japanese form of gender inequality at work. For example, industrial tribunals show that some women in keiretsu have worked for over 30 years - as long as or longer than male counterparts with the same level of educational qualifications - but have remained in low paid positions while their male counterparts earn twice as much. The standard explanation is not sufficient to explain why this is 'reasonable'.

This chapter attempts to provide an alternative explanation as follows. The attribute that brings high paid positions in keiretsu is not simply educational qualifications or the length of time in employment; although the extra element is not always clear to female employees, the firm unions and the court seem to agree that it is reasonable for an employer to pay less to women, even after long service in employment, because they are missing some attribute that their male counterparts have.

As I suggested Chapter Five, the missing attribute is conformity with the

standard 'male' work pattern: selfless devotion to the firm in exchange for lifetime employment and seniority wages, and a strict gender division of work at home. By taking the *status quo* as 'natural', employers and courts rationalise 'gender discrimination' as 'unfortunate segregation'.

In order to demonstrate the shortcomings of the standard explanation, this chapter argues that the gender pay gap within the Japanese keiretsu firms exists because employers and courts pursue social norms that reinforce the subordination of women. Keiretsu employers, in particular, tend to segregate most women from their male counterparts' career path. I draw on data from industrial tribunals to illustrate this.

2 Gender Wage Differentials and Vertical Gender Job Segregation:

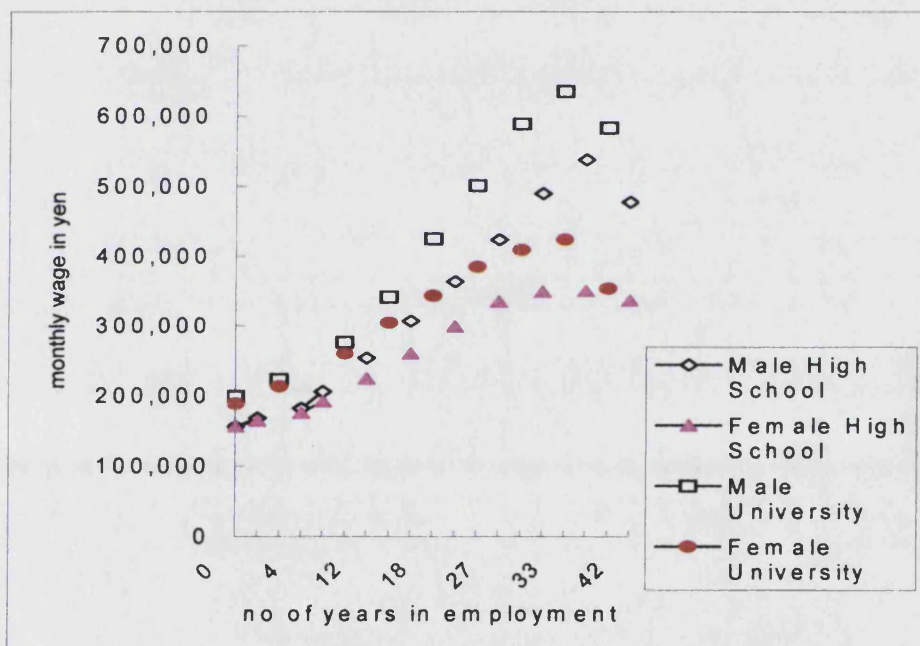
Wage Differentials by Gender and Age

Gender wage differentials reflect a wage structure that is ordered by gender and age, and this tendency is clear in the wage structure in Japan. Wage differentials in Japan are structured by a progressive wage by age which is termed the 'seniority wage'; as already noted, this is paid only to men in large keiretsu firms. Men and women with the same high educational qualifications have significantly different wage curves throughout their time in paid employment (Figure 7-2-1). In 1994, this gender pattern remained the same at all levels of educational qualification.

Higher educational qualifications simply differentiate pay amongst women; women with higher educational qualifications are paid more than women with lower educational qualifications, but even women with higher educational qualifications are paid less than men with lower educational qualifications after their thirties

(Figure 7-2-1: Ministry of Labour 1999a: 23). Although highly educated women are paid more than men with lower educational qualifications at the beginning of employment, after twenty years in employment these men with lower educational qualifications are paid more than highly educated women (Figure 7-2-1). Thus, in the long run, women in employment are unlikely to get returns from educational qualifications.

Figure 7-2-1: Wage structure by gender, age group and educational qualifications, in 1994



Source: Japan Labour Research Institute (1995).

Vertical gender segregation is not a characteristic unique to Japan, but its degree is considerably larger in Japan. In Japan, vertical gender segregation takes place in the following two ways: first, gender job segregation by firm size (Figure 7-2-2); secondly, gender job segregation within the firm.

Figure 7-2-2: Wage structure by gender, age group and firm size, in 1997

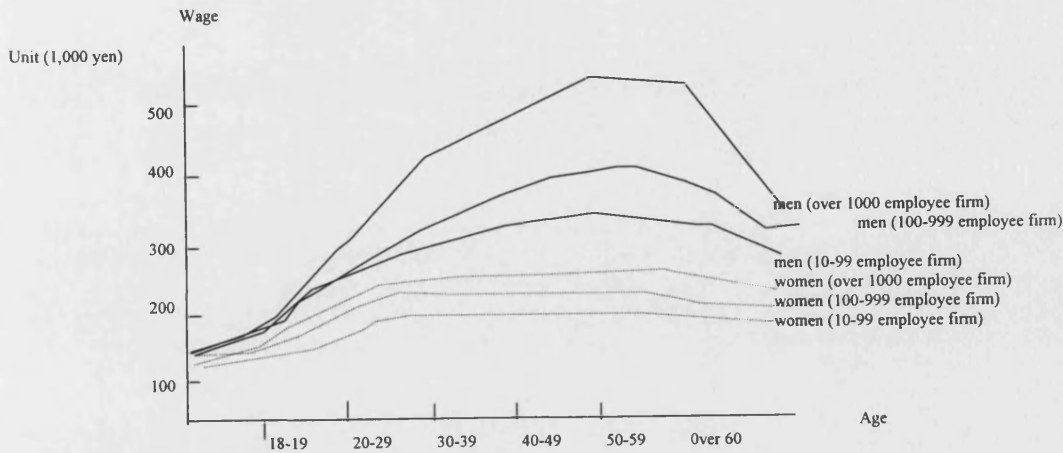


Figure Wage Structure by Gender, Age Group, and Firm Size in 1997
 Source: Ministry of Labour (1999b), p.23.
 Hataraku Josei no Jitsujō

In the first place, male and female workers in Japan typically work for different sized firms even when they work in the same industry. Although men and women alike work in the smallest sized firms, men tend to work as employees in the formal sector while women tend to work in family businesses as informal family workers (Higuchi 1991; Ministry of Labour 1999a: appendix table 14). Women are more likely to work in the smallest sized firms such as the family firms with 1-4 employees (Mari Osawa 1993: 93). Being more formal and slightly larger, the small firms where men work typically pay more than family-run firms. As a result, male and female workers even in the smallest sized firms tend to have a different work status; women may not earn as much as their male counterparts, and may not identify themselves as 'workers' because of the informality of family businesses.

It should be stressed that women work as informal family workers in family businesses in the smallest firms with 1-4 employees even in manufacturing (Mari Osawa 1993: 98-9). Mari Osawa points out that female family owned business workers in manufacturing in Japan experience less horizontal gender segregation than in Anglo-American societies. The distribution of family workers has a significant gender impact: in 1997, female workers in family businesses (less than 5

employee-firms) made up 8 per cent of all female workers while male workers in family businesses made up only 1.3 per cent of all male workers (Ministry of Labour 1999a; appendix 16 table 6).

This trend is the same even if we focus on 5-29 employee firms and on young highly educated women. Newly graduated women tend to work in smaller firms than their male counterparts: in 1997, firms that employ 5-29 employees hired 25.3 percent of recent female graduates from universities amongst all newly graduated women, while these firms employed only 8.2 per cent of recently graduated men. In contrast, in over 1,000-employee firms, which are likely to be keiretsu firms, newly graduated men made up 33 per cent of all male university graduates, while newly graduated women constituted 20.2 per cent, in 1997 (Ministry of Health, Labour and Welfare 2004 : table 38).

Large firms in the manufacturing sector have short contracts with numerous numbers of very small sized firms with 1-4 employees in the rural areas via their linked medium-sized firms. The very small sized firms here are basically family workers, who often engage in agricultural as well as manufacturing; these workers spend less demanding time for agriculture than in paid work in manufacturing. More women than men in the rural areas engage in low-paid but demanding work in manufacturing (Mari Osawa 1993: 98).

Because international competition is getting stronger, manufacturing, as a whole, is pressured to cut production costs (Chuo University Economic Institute 1985). Labour costs for male full-time workers in large firms were fixed in the mid-1970s, the 1980s and the early 1990s (Mari Osawa 1993; Futamura 1987). As a result, the pressure of cost reduction was concentrated on the smaller sized firms. To pay off expensive machines for production and to meet supply deadlines,

family businesses in manufacturing needed to work for very long hours, sometimes until midnight. According to a study done at Chuo University Economic Institute (1985), female family workers in the smallest sized manufacturing firms worked longer than formal employees in larger sized firms.

Gender job segregation by firm size is further linked to age segregation amongst women. Women tend to work in large firms when they are young, and are more likely to work in small firms with 1-29 employees after 24 years of age (Takenaka 1989: 294). The reason for this pattern is obvious: women move from large firms to smaller firms as they get older and start a family. Young single women in large sized firms may leave a job to begin a family, and married middle age women resume working in smaller firms (Takenaka 1989; Hashimoto 1996).

The second key element in gender job segregation in Japan is the vertical segregation within the firm. For example, in 1996, women in Japan occupied 8.2 per cent of managerial positions, compared with 42.7 per cent in the US, 33 per cent in the UK, 25.6 per cent in Germany, and 18.7 per cent in Hong Kong (International Labour Office 1997; Inoue and Ehara 1999; 115).¹ In Japan, in 1999, only 1.6 per cent of women held departmental managerial posts, 2.6 per cent sectional managerial posts, and 7.7 per cent chief posts (Ministry of Health, Labour and Welfare 2001b).

Amongst the 8.2 per cent of female managers, most have the lowest managerial position and this trend is relatively strong in manufacturing (Inouen and Ehara 1999: 114). As women are less likely to become managers, this means that they are likely to earn less than men. In clerical jobs, the average clerk was paid 41 per cent of the earnings paid to a department manager; 50 per cent of those paid to

¹ Interestingly, Brinton (2001) shows that women in Taiwan are more likely to work in a managerial position than women in Japan.

section managers; and 63 per cent of those paid to the chief (Ministry of Labour 1999b).² Among the few female managers, most occupy lower posts, frequently in sales and service divisions (Barbezat 1993: 24; Inoue and Ehara 1999: 114).

These two forms of gender segregation suggest that only a few single women can work in keiretsu until marriage or children and that a very few married women continue working in keiretsu, but work at lower paid positions. Those excluded from keiretsu employment follow two ways; one is that once women leave a job in keiretsu, they are unlikely to return, and will either work in small/medium firms or stay as full-time housewives. The other way is that as keiretsu tend prefer younger single women to experienced married women, women with experience working in small/medium firms are also unlikely to work in keiretsu. The average woman in the 61 keiretsu firms preferring top managers from Tokyo University was 28.3 years old in 1995; the average women in employment in general was 36.5 years old according to the Basic Survey on Wage Structure (Ministry of Labour 1996).³

Human capital theory alone cannot explain why the first and second types of vertical gender job segregation occur. In human capital theory, the greater the number of women with higher educational qualifications, the more chances they will have of high paid jobs, because the service sector makes jobs available for women who are equally skilled with men (Easterlin 1980; Goldin 1988). Women with high educational qualifications in Japan, however, have fewer high paid jobs

² Using data from table 3-34 (Ministry of Labour 1999b), the author calculated these figures.

³ The average age of female worker in keiretsu manufacturing is calculated by the author. Forty five firms out of sixty one firms (excluding Nissan Jidosha and Sakura Bank) in Table 6-3-1. Data is from Toyo Keisai shinposha. The average age of female workers in Nissan Jidosha and Sakura bank in 1995 is not available.

available to them than women in the US, UK, Germany, Hong Kong and Taiwan (Ushioki 2002; Brinton 2001). This suggests that women in Japan do not gain from their educational qualifications as much as women in the Western OECD countries, Hong Kong and Taiwan. As already noted in Chapter Six, this implies that not only educational qualifications but also some other factors associated with gender affect mobility within paid employment in Japan.

Japanese neoclassical economists have tried to overcome the shortcomings of human capital theory by stressing that the most important element in Japanese firms is the length of time in paid employment. They argue that as most women leave a job to have children, it is reasonable for employers to expect women to work for shorter periods of time than men and to allocate most women to low paid jobs. However, their explanation does not fully fit the following cases of industrial tribunals of Sumitomo keiretsu, because the discrimination in these cases cannot be explained by the length of time in employment.

This chapter then demonstrates that the duration of time in paid employment does not simply mean the length of time as Japanese neoclassical economists argue, but implicitly involves gender roles that can change dramatically due to marriage. It is these that explain why married women find it difficult to get high paid positions within keiretsu.

3 Gender Wage Differentials in Large Keiretsu Firms

Due to vertical gender segregation within keiretsu, women's wage relative to men's is not as high as that of women as a whole; in 1994, women in large sized

firms earned 55.1 per cent of male salaries in the same firm whilst women in general earned 62 per cent of male salaries.⁴ The 2000 study of keiretsu firms by the citizen's group Corporate Onbusman in Osaka shows that only 0.1 per cent of directors were women (Nikkei Hourly News 14 June 2001 01:00AM). This suggests that gender wage disparities within large keiretsu firms are particularly strong.

According to the standard explanation, this suggests either that women are less educated than their male counterparts or that they need to stay in employment for longer in order to catch up with the men's wage trajectory. However, this does not precisely capture the reality of employment in keiretsu, for the average age of women in keiretsu is lower than that of men and most women leave a job while their wage is still on the rising part of the trajectory (Figure 7-2-2). These women are said to leave a job because they "prefer" marriage and having children to paid employment.

This is, however, not sufficient. Firstly, as discussed in Chapter Three, women may leave a job for marriage or children because they cannot hope to achieve high paid positions. Men in keiretsu, by contrast, tend to stay in employment until they retire. Secondly and more importantly, it does not provide a clear explanation of why vertical gender segregation continued even after legislation in 1986 prohibited employers from treating men and women with the same qualifications and experience differently.

⁴ The figures are the author's calculation. Large firms here are 579 firms that exchange the stock certificates in Tokyo stock market in 1994, and the original data are on monthly wages from the security reports of individual companies in 1995, and men's and women's monthly wage in Toyo Keizai Shinpo Sha (1996b). The hourly wage is calculated from men's and women's hourly wage in Ministry of Labour's (1995) *Basic Survey on Wage Structure*.

The second raises a key question: why are women in keiretsu paid less even after the anti-discrimination legislation? In order to reduce the demand side of gender differentials, the government introduced the EEO Law in 1986, which has restricted employers from assigning male and female employees with the same qualification in the same career path to different jobs. This, however, has had little effects on women's employment within keiretsu. The EEO Law has had only a marginal effect on women's relative pay, as seen in Chapter One, and where there have been improvements, these may owe as much to labour market pressures as to legislation. Lam (1993: 199) argues that the growing shortage of skilled labour, particularly in the rapidly-expanding high-technology industries, has caused companies to look for ways of using more women. She argues that shortages in skilled labour have been particularly acute in information technology, especially software engineers; and major electronics firms such as Fujitsu, Nihon Electrical Company (NEC), Toshiba, and Matsushita started to recruit female university graduates and train them as software engineers in the early 1980s. Labour market pressure alone can change some part of the vertical gender segregation between large keiretsu and smaller firms, but not, it seems, a large part of that within large keiretsu firms.

The side effects of the EEO Law are important to note. Since the promulgation of the EEO Law, an increasing number of major firms have introduced a new selection system – the 'career tracking system'. Over 20 per cent of the firms that had no formal distinctions for career tracks adopted such a system after the legislation was introduced (Japan Institute of Women's Employment (JIWE) 1986). As noted in Chapter Three, firms tend to provide assistant dead-end career paths to female university graduates and junior college graduates, while providing elite career

paths to male university graduates. Only a very limited number of female elite university graduates have been able to join the second track.

The number of firms introducing the new selection system had been rising up till 2000 (Ministry of Health, Labour and Welfare 2001b). In 2000, 7.1 per cent of all firms in Japan still assigned women with high qualifications into two career paths, one for female only assistant jobs, and the other for high paid jobs open to both women and men (Ministry of Health, Labour and Welfare 2001b). Career tracking is primarily a 'big firm phenomenon': 42.3 per cent of firms with 5000 or more employees have introduced the system compared to 11.4 per cent of firms with 300-900 employees (Ministry of Labour 1990). The Japan Institute of Women's Employment (1990:20) illustrates a dramatic gender segregation of employees by career track. Using a survey of forty firms with a career tracking system, it showed that 99 per cent of men were in the managerial career track compared with only 1.3 per cent of women (Table 7-3-1: Lam 1993: 215).

Table 7-3-1: Distribution of Male and Female Employees by Career Tracks, in 1990

	Male (%)	Female (%)
Managerial (Sogoshoku)	99.0	1.3
Clerical (Ippanshoku)	0.8	96.2
Midway' (Chukanshoku)	0.0	2.4
Specialist (Senmonshoku)	0.2	0.1
Total	100.0	100.0
No. of Employees	82,049	55,615

Source: JIWE (1990:26), Lam (1993:215 table 9.2)

Note: 'Mid-way' is a kind of 'middle-of -the -road career track recently introduced by some companies to enable some selected women to take up more responsible jobs, but unlike those in the managerial track, there is no requirement for geographical mobility.

This new system helps maintain the favouritism towards male employees in the appointments to managerial posts. Even employers who open high paid positions

to female graduates operate gender segregation in their recruitment practices, one common practice being to set aside different dates for accepting applications from men and women. Companies will normally finish the interviews for male job applicants first before starting to interview female applicants (Lam 1993: 211).

As a result, even after the EEO Law, vertical gender segregation continues through the first job assignment and subsequent promotions. Firms tend to hire male graduates with high qualifications, and while 43.8 per cent of employers made the high paid career path available to both male and female graduates in 2000 (Ministry of Health, Labour, and Welfare 2001b), only 38 per cent of these employers actually hired women. This male favouritism was stronger for technical jobs where 64.6 per cent of employers hired only male graduates. As already noted, some large sized firms have established two career paths for female graduates; most of these are in insurance and finance where women constituted half of those employed by 1990 (Barbezat 1993:24).

Even if they break through the barrier of the first job assignment, female staff are likely to lose out in advancing to managerial positions, because they are less likely to be trained for managerial posts. Those hired on the assistant career track cannot switch to the managerial career track if they were hired before the introduction of the EEO law. Though the conversion of assistant career path to male career path is now possible for later employees, the fact that they started on a different track significantly delays women's promotion prospects. It is reported that in 1989, forty per cent of the women surveyed responded that it took more than 20 years before they were appointed to a first managerial post (Ministry of Labour 1990; Barbezat 1993; Omori 1993:95). All the men with higher educational qualifications, by contrast, were appointed to their first managerial position within

10-15 years (Tachibanaki 1995).

The formal classification of employees into different career tracks is in effect the institutionalisation of past informal practices that segregated women in inferior dead-end jobs. In practice, this career tracking system preserves the 'male-oriented' core personnel system even more effectively, for it ensures that equal opportunities will only be offered to a limited number of 'male women': those with the 'right ability and motivation' (Lam 1993: 215). This implies that women will only be able to advance if they conform to the existing organisational rules and work practices of their male counterparts. The career tracking system works to selectively offer managerial jobs to those who share maleness rather than those who complete considerable tasks.

Thus, gender wage differentials can result from employers segregating women from male career path, particularly after the EEO Law. This trend is particularly strong in keiretsu firms.

4 Industrial Tribunals of Female Workers in Sumitomo Keiretsu and Other Firms

4.1 Exclusion of Elite Career Paths in Keiretsu

What prevents women from joining the elite career path in keiretsu is controversial. Two attributes such as educational qualifications and long period of time in paid employment are said to be important but most women are unlikely to have satisfactory levels of educational qualifications and length of time in employment (Koike 1988; Wakisaka 1990). In this standard explanation, gender

differentiation in length of time in employment is said to cause gender wage differentials. This is, however, inappropriate in sufficiently explaining gender wage differentiations, because evidences below indicate women's lower pay is socially determined, not determined simply by length of time in employment. In keiretsu, women with long period of time employment but paid less than their male counterparts who have the same educational qualifications. This does not sufficiently fit the standard explanation. This suggests that employers in keiretsu do not only by educational qualifications and length of time in employment, but also by an additional element.

Regarding existing female employees with a long period of time in paid employment, keiretsu claim that it is reasonable to pay them considerably less than their male counterparts because the employer could not reasonably predict these women would choose to work as long as the men. Accordingly, both at the entrance and in the middle of employment in keiretsu, what matters most are gender perceptions regarding how long men and women will continue working. This chapter examines how the gender perceptions link to the *status quo*.

I turn here to industrial tribunal cases from keiretsu in the 1990s to explore these perceptions.

4.2 Industrial Tribunals in the 1990s

The following cases show that the length of time in employment is not the reason behind why women who have served for longer than 20 years have failed to achieve highly paid positions in keiretsu. They suggest that their employers not only value the length of time in employment but also other factors closely related

to gender. Courts accepted with the employer's explanation as 'rational', and decided that employers did not breach the EEO Law.

Case of Sumitomo Steel in 1994

In 1994, seven female employees in Sumitomo Steel Co. appealed to the Ministry of Labour to arrange a settlement for their delayed promotion as compared to men with the same qualifications and duration of employment in the same firm (Miyaji 1996: 68). Though the women had worked for the company for periods ranging from 20 to 35 years, they remained in the position achieved by men with university education after 4 years of employment (Miyaji 1996: 66). The average man at Sumitomo Steel served for 21.4 years in 1995 (Toyo Keizai Shinpo Sha 1996b: 219), these women already served as long as their male counterparts. However, the women were located at far lower positions than the men.

This came about because of the way the employer assessed workers. Employers assess workers annually and provide them a mark ranging from A (excellent), B (good), C (average) to D (poor). On average, men have a B point every year, married women with children a C point, and single women and married women without children a B point (Miyaji 1996: 70).⁵ This seems to apply regardless of the tasks undertaken, so even the women who had worked for 35 years remained on point C if they were working mothers, despite carrying out much the same tasks as a male co-worker with only 27 years in employment. The man earned 2 million yen more (£ 10, 000) a year (Miyaji 1996: 70). The employers argued that the other six women were just assigned to routine work and, as a result, were rightly assessed at point C.

⁵ The highest point is A, the average B, and C is the below average point.

In this case, both the court and the firm union accepted the employer's explanation; the firm union argued that there was no gender discrimination in the firm, but rather that women were treated differently because they rear children and will not accept job rotation accompanied with either shift work or living away from husband and children (Miyaji 1996: 66). In 1994, following the EEO Law, the Ministry of Labour arranged a negotiation between the employer and female workers, but simply restated that the employment practice before 1986 was equivalent to gender career tracking. As a result, it confirmed that gender career tracking both before and after the introduction of the EEO Law in 1986 was 'reasonable'.

Case of Sumitomo Electrical Manufacturing in 1995

In a similar case, a female worker who had worked for 32 years in Sumitomo Electrical Manufacturing appealed to the Osaka regional court in 1995 (Shirafuji 2001). The average man at Sumitomo Electrical Manufacturing worked for 16 years in 1995 (Toyo Keizai Shinpo Sha 1996b: 228). She had then served longer than the average man.

Her main claim was that the employer had not provided her equal access to high paid position with men with the same educational qualifications and duration of time in employment. She argued that in 1987, male co-workers with the same educational qualifications were paid by as much more as 240, 000 yen (¥ 1,200) a month; this was despite the fact that she had worked as long for the company (Shirafuji 2001: 74).

The employer of Sumitomo Electrical Manufacturing argued that when this woman was hired in the 1960s, it was normal for employers to expect all

female workers to leave a job after a few years. As a result, it was 'rational' for employers to assign female workers hired before 1986 to different career paths from their male counterparts (Harano 2001: Ikeda 2000: 3). In 2000, the Osaka regional court rejected the woman's appeal on the grounds that employers had a rationale for segregating women from men, and that it was not the employer's fault that he was unable to predict that this particular woman wished to remain in employment (Harano 2001).

Case of Sumitomo Chemical in 1995

The case of Sumitomo Chemical provides a further example of gender disparity in keiretsu. In 1995, three female employees of Sumitomo Chemical Co. appealed to the Osaka regional court that the employer had unreasonably assigned them to low paid positions for longer than 30 years. The average man at Sumitomo Chemical served for 17.9 years in 1995 (Toyo Keizai Shinpo Sha 1996b: 156). One of these women had worked for 39 years at the same position, but was given no opportunity for promotion (Ishida 2001: 69). In contrast, her male counterparts had achieved managerial positions after 21 years in employment, even though they had similar educational qualifications.

The employer had provided female employees with access to higher paid male jobs from the 1970s, and there should not have been such a wide gender disparity between male and female positions; yet in fact, the woman who had served for 39 years was paid less than her male counterparts by 220, 000 yen (£ 1,100) a month in 2001 (Ishida 2001: 69). The employer made no effort to address this gender gap because it would be costly to do so; and the court accepted this as reasonable.

The employer argued that gender differentials in job assignment were 'rational': the average women in the 1960s left work on marriage, according to governmental publications in the 1960s and 1970s (Hirano 2001: 69). The employer argued that it would be more costly for the company to hire women for male jobs even where they had the same educational qualifications, abilities, and skills as men; if there were women in the male career path, the firm would have to invest in female toilets and bathrooms, and provide women with the time off work required by the article of female worker's protection in the Labour Standard Law (1947; revised 1985) (Hirano 2001: 69).⁶

Again, the Osaka court accepted this explanation as reasonable; it accepted that most women spend a shorter period in paid employment than men, as a statement of 'common' sense (Hirano 2001: 61).

These cases suggest that what matters for highly paid positions, what matters is not simply the length of time in employment but also perceptions regarding gender roles. The Sumitomo Metal case, in particular, shows that as employers allocate men alone to a job that requires them to live away from their family, men and women differ even when they are employed for the same length of time in a firm.

⁶ The Labour Standard Law revised the agenda of women's protection when the EEO Law was introduced. The law abandoned the prohibition regarding women's late night work, extra work hours (up to two extra work hours a day) and paid leave for sickness such as menstrual pain (Hashimoto.1996: 48). This revision forced women to work as long as men who has no prohibition on work hours (Ida 1994:53; Lam 1992: 89-95).

4.3 Gender Perceptions in Sumitomo Keiretsu

Whether male and female workers accept a job that requires them to live away from their family is up to the employee. However, the above cases demonstrate that it is 'rational' for employers to predetermine the employee's choice on the basis of gender. In examining this more carefully, it is useful to look at how keiretsu employers perceive gender differences.

Case of Sumitomo Steel

In the later 1960s and 1970s, Sumitomo Steel Co. operated on the basis that women should leave their work after marriage. This is reflected in a comment by a manager in 1968 to the oldest of the female employees in the Sumitomo Steel case. On her return from maternity leave, he shouted to her; "even when female dogs and cats rear their children, you leave your child in the nursery school. You are inferior to dogs and cats, and are the same as the (heartless) robot that reproduces human beings" (Miyaji 1996: 294). The woman responded that this was up to her and her husband, and nothing to do with the manager.

As this suggests, managers in the 1960s believed that the company had a right to shape worker's private life style, though it seems that the worker and her family adopted a more individualistic view. When we review the comments by the firm union and employers in 1994, it seems that managers and male peers today continue to adopt much the same gender norms and values as in the 1960s. The norm is still that male workers should selflessly devote their time to the employer, where necessary sacrificing private time with the family by extra work and '*Tanshin-funin*' (living apart from the family for a job), while women workers

should choose between family and employment.

Case of Sumitomo Electrical Manufacturing

The woman in Sumitomo Electrical Manufacturing provided a number of examples of gender discrimination: thus, though she requested her managers to give her the opportunity for the on-the-job training to boost her career, no managers did so; although she attempted to know when the important business meetings to which even the first year junior men were invited were held, she was not informed; her daily tasks were strenuous, but were treated as simply routine low paid work; and even when she took up the tasks carried out by men, the assessment of her work remained low.

Although the oldest woman prosecuting her employer of Sumitomo Manufacturing stayed in employment, she claims that she was discouraged by her employer's treatment. Because of similar treatments, a number of her fellow female employees left the job. She reported hearing that former female fellow workers would have liked to stay in employment even after marriage (Shirafuji 2001). When female colleagues attempted to continue working after marriage, the employer told them that women should seek happiness at home, and asked if their husband agreed with their continuing their career (Shirafuji 2001).

In the 1960s and 1970s, these women were more likely to be coerced to leave a job than women today. Social norms then were strongly against working women; in particular, social values and norms enforced the role of the housewife in the 1970s (Ministry of Health and Welfare 1998: 26-7, 50). When we simply look at the preferences exposed by action, women in Sumitomo Manufacturing who left a job for marriage look as if they 'happily' choose marriage and child

rearing over paid employment.

The court agreed with the employer's explanation. Article 14 in the Constitution prohibits discrimination by sex, and it might well seem that Sumitomo Electrical Manufacturing was discriminating against these employees, especially it judges them by today's values and norms (Working Women's Network 2001: 1; Ikeda 2000: 3). The court argued, however, that it was not fair to apply contemporary social norms and values to career decisions made in the 1960s and 1970s, because the current law should not be applied retrospectively to incidents that took place before the law became valid.

The Case of Sumitomo Chemical

In Sumitomo Chemical, the employer had allowed women to transfer from the female only career path to the standard 'male' career path after 1970 (Working Women's Network 2001: 6). If the woman who appealed to the court had been successfully transferred to this career path, she might have had as high a position as male counterparts. However, a manager in Sumitomo Chemical refused this transfer and told a female employee who requested a job including decision making as follows; ' you should have known that men and women are hired for different career path from the beginning of employment. Men have to accept job rotations that require them to live apart from the family. Men are ready to take 'final' responsibility when first employed. Do women have such determination? ...' (Ikeda 2000: 1).

The women in Sumitomo Chemical not only claimed this but also argued that the pre-war values and norms of 'Ie' system lay behind this gender vertical job segregation; for example, married women were entitled to take up paid leave

in order to participate in the funeral of their husband's parents of the husband, but were not for the funeral of their own parents (Harano 2001: 190).

In response to her claims, the employer argued that women in the 1960s and 1970s were satisfied with 'female' jobs, most of which are low paid routine work, and that since it is the man who should be the primary breadwinner, it was impossible to predict that some of these would continue working after marriage (Hirano 2001: 69). Thus, by reference to those social norms, it was reasonable for the employer both not to transfer women to a standard 'male' career path and expect them to follow social norms.

The cases of the industrial tribunals suggest that there are two reasons why employers and courts defend the employers' explanation as 'reasonable'. One reason is that employers judge that married women are not as suitable as men for '*Tanshin-funin*', a job that requires living away from husband and children; the other is that it was hard for the employer to predict, when hiring women, if they would continue working after marriage and having children, going against the prevailing social norms.

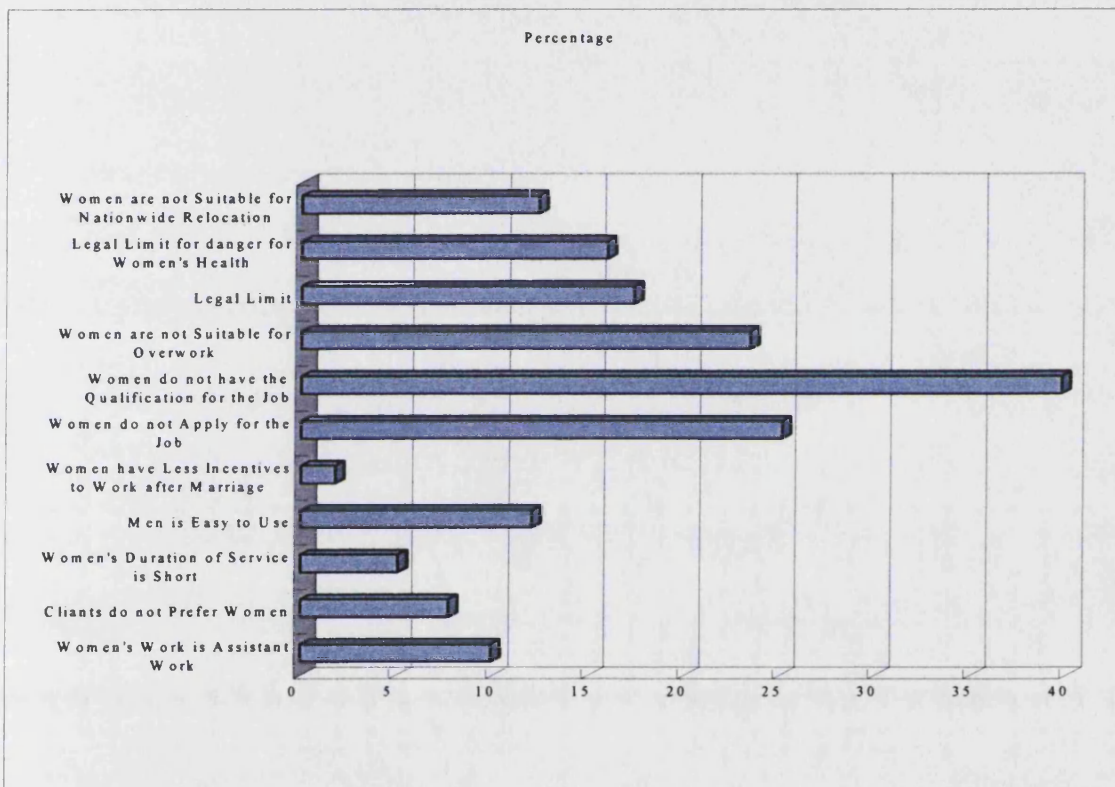
5 Gender Difference in Career Paths

5.1 Overwork and *Tanshin-funin* is for Men, not for Married Women

The women in Sumitomo keiretsu show that employers may not assign women to jobs in a standard career path and may regard women as unsuitable for the job because they are not allowed to be in a standard career path (Working Women's Network 2001: 22; see the related exploration in Chapter Three). Figure 7-5-1

shows that the explanations employers in general give for failing to assign women to the elite career path.

Figure 7-5-1: The reasons why employers do not assign women to elite career path, in 1992



Source: Ministry of Labour (1992). Note: multiple answer questions.

The question here is what makes employers perceive male employees more appropriate. As illustrated in Figure 7-5-1, employers find male workers will work more flexibly according to their request; over 20 per cent of employers said that women were not suitable for overwork and would not apply for the job in 1992. This suggests that men follow a work pattern in which overwork is taken for granted and that this work pattern is avoided by women

One aspect that takes women away from the elite career path is '*Karoshi*' (death by overwork) including extra work hours and refusing to take paid time off,

and '*Tanshin-funin*' (living apart from his family for a job) (Hosokawa, Uehara, and Tajiri 1982; Okamura 1990).

Statistics show that the Japanese work longer work hours than their counterparts in the Western OECD countries. The Japanese worker undertakes a great deal of overtime, but is also expected to maintain a low rate of absenteeism (Japan Times 1989 7 October). One of most striking examples of the ostensible work commitment of the Japanese is their tendency to take less of their allotted holidays and leave time than their entitlement (Lincoln and Kalleberg 1990: 144; Sengoku 1995; Williams 1997: 76). *Karoshi* befalls directors and employees alike, and arises from the fact that the individual member is often expected to place the interests of the company above his own interests (Kawahito 1991; Yomiuri Shinbun 1991 1 May; Daily Yomiuri 1996 29 March).

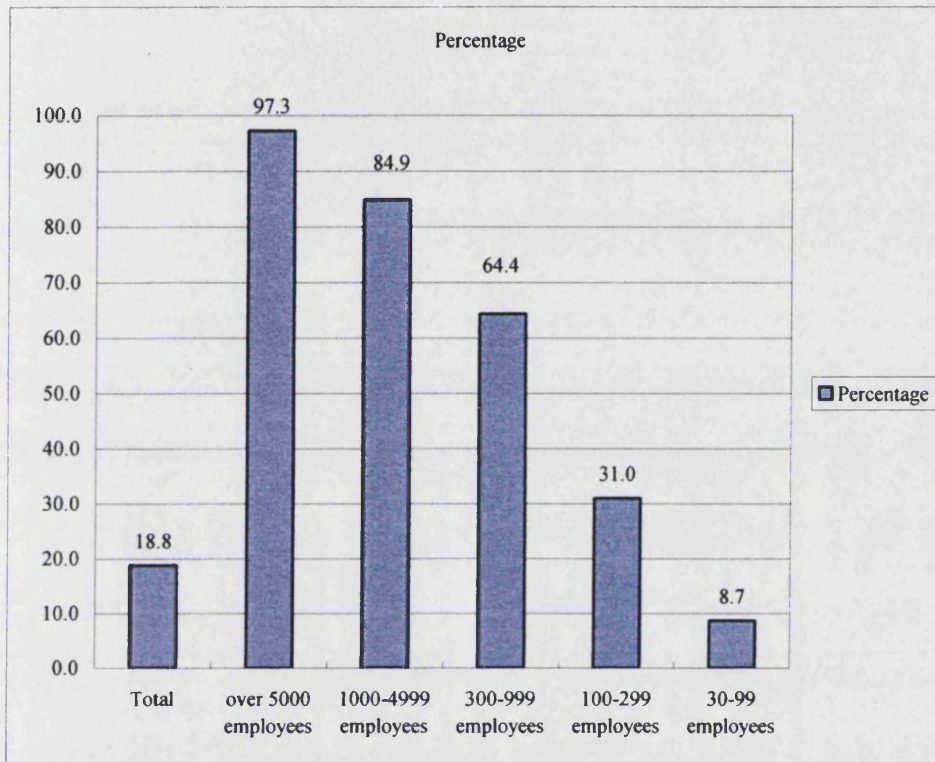
It is interesting to note that socialisation with co-workers and managers is counted as a part of extra work in Japanese firms. By spending most their daily time with managers and co-workers, workers tend to establish personal ties with them. As a result, they are less likely to refuse a request for overtime because they do not wish to turn down a person with whom they form a family-like relationship (Lincoln and Kalleberg 1990).

Tanshin-funin refers to the practice of sending a director or employee, usually of middle rank or higher in the corporate hierarchy, to work either at a branch office in another part of Japan or, as is increasingly common, abroad. He may be sent for a few months, or many years (Williams 1997: 76). In contrast with the British employee 'sent away', the Japanese often leave their wife and family at home. Often the family is unable – or unwilling – to accompany the husband, for the children's education is seen as a primary concern, and a move is

perceived as jeopardising the child's progress at school (Owaki, Nakano and Hayashi 1996: 96-113).⁷ Those children who do manage to accompany the father often have difficulty adjusting to the academic pace of their Japanese counterparts when they do eventually return (Goodman 1990). Furthermore, as Table 7-5-2 indicates, it is the large keiretsu firms that are most likely to request workers to taken up posts that involve living separately from the family.

⁷ Imperial Organ (Teikoku Zoki) Medical Appliance Co.had an appeal from a male employee in 1975, who was ordered to live separately from the family. As a consequence, his working wife became ill because of overwork. The male employee claimed that his separation for the job caused this family problem and his wife's ill health. In 1993, the Tokyo High Court rejected the claim that the employer was unreasonable, arguing that it was the employee and his wife who accepted the order and decided to live apart, not the employer (Owaki, Nakano, and Hayashi 1996: 108-13).

**Figure 7-5-2: Proportion of the firms with employees accepted *Tanshin-funin*,
in 1993**



Source: Ministry of Health and Welfare (1998), p.182 figure 4-16.

In cases of both *Karoshi* and *Tanshin-funin*, the worker's first loyalty and responsibility is to the welfare of his company; loyalty to himself and to his family takes second place (Williams 1997: 74-5). This is a standard 'male' pattern of work life in Japan, and one that it is particularly difficult for married women workers to follow.

5.2 The Prevailing Social Norms (the *Status Quo*)

In the *status quo*, a standard career path is for men with a fulltime housewife who devote their time to the firm at the expense of their private time for the family. As employers believe that this strict gender division at home is the best, they will not accept most female workers, particularly married women, onto the standard career path.

Instead of directly arguing this, most employers justify their gender segregation by emphasising that female workers agree with the prevailing gender norms. The courts accepted this justification in the industrial tribunals of the firms in Sumitomo keiretsu. Interestingly, this contradicts decisions of the courts in the 1960s and 1970s, which had interpreted social values and norms in the opposite way. In 1966, for example, the Tokyo Regional Court accepted the former female employee's claim that her employer in Sumitomo Cement Corporation, forced her to leave a job on marriage. The court decided that the employer had discriminated against this woman, breaching article 90 in the civil code stating that all men and women should be treated equal (Harano 2001: 64; Ministry of Labour 1994: appendix 114). Such cases suggest that in the 1960s, the courts did not take social norms as they were, but encouraged social values and norms to adapt to the basic principles of the civil code (Harano 2001: 64).

Working Women's Network (2001: 12-6) and Ikeda (2000) argue that the court decision in the case of Nissan Automobile in 1969 expressed the view that 'social norms' should be virtues for both individuals and firms to follow, and that such 'norms' should be guidelines for the society. In this case, the Tokyo High Court demanded that Nissan Automobile keiretsu set the same retirement age for

women as men, on the basis of human rights and moral codes.⁸

The contemporary Sumitomo cases suggest, by contrast, that employers and courts now reinforce the perception that fits ‘the *status quo*’ and encourage people to accept it. Employers perceive gender roles as fixed, even when women do not necessarily conform to their expectations regarding gender role; for example, several women in the court cases of Sumitomo keiretsu firms in the 1990s. In contrast with court decisions in the 1960s and 1970s, the court decision on Sumitomo in the 1990s supported keiretsu employers.

This may be because employers and judges perceive the *status quo* as more solid than judges in the 1960s and 1970s. The current *status quo* has strengthened after the oil crises in the 1970s, such that even judges are less likely to view it as changeable.

6 Preference Falsification regarding Overwork and *Tanshin-funin*

The reasons given in cases discussed above can be ‘reasonable’ only if people fully accept the idea that a mainstream (i.e. majority) preference rightly dominates other preferences and forms social norms. If as many preferences as possible are expressed, people can establish whether the *status quo* still functions or not. However, if many preferences are suppressed, people are less likely to become aware of problems in the *status quo* (Kuran 1995). In Japan, one of the problems

⁸ Ishida (2001: 73) showed that the lawyer for the woman of Sumitomo Chemical Co. cited a similar court case; in the court case of Mitubuchi in the 1960s, the first primary judge of the Supreme Court stated that social values and norms employers apply for treatment of their workers should follow moral codes however differently they are perceived by a majority of people .

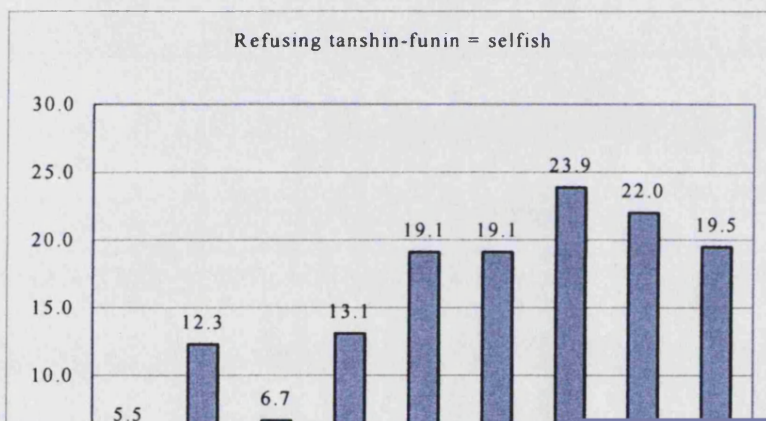
is that it is difficult for married women to continue working and rearing children; the other problem is overwork and *Tanshin-funin* for men.

In fact, people in Japan may not express all possible preferences because they shape these preferences to the *status quo*. Due to affection, for example, employees may not take up time off work because they worry that taking holidays would damage the company's financial position; moreover, many of those interviewed in a survey in 1989 of Fukoku Mutual Life Insurance company were conscious of the trouble such action would cause their colleagues, for it would necessarily involve colleagues in extra work (Japan Times 1989 7 October; Japan Times 1990 16 June). Workers know that conforming to the standard 'male' life style harms their health and family life, but they conform nonetheless. One reason cited is 'tacit pressure' to refuse holidays, workers feeling 'uncomfortable' taking a holiday when no one else did (International Federation of Chemical, Energy, and General Workers' Unions, Japanese Affiliated Federation (ICEF-JAF) 1984; Williams 1997: 140).

Although the resulting action – conformity to the group – is the same, people may be motivated differently. As men foster affection by socialising with co-workers and managers in Japanese firms, the motivation of affection is also socially fostered. But this motivation may be linked to further motivation by fear. *Tanshin-funin* provides a particularly good example of motivation by fear. Employees may feel they cannot refuse *Tanshin-funin* even if they know the risks to family life, and detrimental effects on both the worker and his family (Kinoshita 1983; Saito 1982; Takahashi 1991; Owaki, Nakano and Hayashi 1996; 108-13). As senior managers and co-workers tend to feel that those who reject *Tanshin-funin* are selfish, young workers may feel pressurised when they refuse

Tanshin-funin (Figure 7-6-1). Workers are likely to fear losing a job because of the keiretsu dominated economy and the relatively low unemployment benefits noted Chapter One. If workers refuse *Tanshin-funin*, they lose their reputation in the eyes of senior workers and managers. This reduces a worker's chance for promotion and increases the chances of becoming redundant.

Figure 7-6-1: The proportion of men who feel the refusal of *Tanshin-funin* is selfish, in 1991



cent actually reduced work hours in 2003 (Nikkei Hourly News 2003 1 March 01:00 AM). This suggests that fathers too mould their preferences in order to fit the *status quo*; men may not express preferences that do not fit to social norms on care service provision.

It appears that many employees are aware of the detrimental consequences of a company-first work style, but still conform to it for fear of losing a job, through concern over burdening co-workers, and concern over the loss of reputation. All these strengthened after the oil crisis in the 1980s. Men have sacrificed their private time with the family for socialisation with male peers and supervisors, in order to ensure seniority wages and lifetime employment.

Men with higher educational qualifications are particularly coerced to follow a standard 'male' work style in which they need to spend extra time on socialisation at work. Employers do not assign posts simply according to the assessment of the worker's skills (Yashiro 1995; Tachibanaki 1992, 1995), preferring to encourage competition between employees over a number of years. They perceive this as efficient as it maintains high incentives to work amongst white-collar male workers. The implication, however, is that family life may be at risk for long periods of time.

Men view *Tanshin-funin* differently not only by firm size but also by age group. As Figure 7-6-1 shows, men aged 25-29 those (most likely to be single) and those aged 35-39 (most likely to have young children) are much less likely to think it selfish for a worker to refuse *Tanshin-funin*. This suggests that senior men's preferences dominate; the others may fear losing their job if they express a preference that differs from the dominant norms.

Kuran argues that preference falsification makes it difficult for people to

recognize the problems in the *status quo*. Although the *status quo* may be problematic, preference falsification makes the problems less visible. As Kuran explains, people often overlook the problems associated with the *status quo* in calculating its costs and benefits. As people rarely express their preferences if they are differ significantly from the dominant preferences, the fallacy of the *status quo* does not come to surface. Preference falsification makes it more difficult for people to admit potential problems in the *status quo*, and they underestimate its costs. As a result, people may not gain as much as they expect.

Overwork and *Tanshin-funin* are motivated by either affection for co-workers and managers or fear of losing a job. This results in the maintenance of the *status quo*. The *status quo* has its problems; in this case, clear problems associated with overwork and *Tanshin-funin*, such as ill-health and loss of family life. The further problem is the exclusion of married women from elite career paths in keiretsu.

7 Conclusions:

Married Women's Exclusion as Systematic Problems of the *Status Quo*

Because women are unlikely to accept overwork and *Tanshin-funin*, married women are said to be excluded from elite career paths. In one sense, these women have fewer problems with the *status quo*; their work patterns provoke fewer risks to their health and family lives. This pattern is not only good for women but also for men. Though their work and family lives suffer more directly, most men follow the *status quo*, practicing preference falsification regarding overwork and *Tanshin-funin* even if doing so may bring risks to themselves and their family life.

It is not then surprising that the managers in Sumitomo keiretsu firms seem to believe that women prosecuting their employers for discrimination are challenging the *status quo*. Married women are excluded from the elite career paths in keiretsu not simply because they are less likely to overwork and accept *Tanshin-funin*, but because they demonstrate the problems with the *status quo* men in keiretsu rather would not face.

Because of the problem of preference falsification, court judgments may be misled if they use the *status quo* as a reference point in judging whether employers reasonably exclude married women from elite career paths in keiretsu. The courts in the 1990s used the prevailing values and norms of the 1960s and 1970s in order to judge if married women's exclusion from elite career path was reasonable. It was interesting that the courts in the 1960s did not use the *status quo* for judging cases of women's exclusion.

Married women cannot attain high paid jobs in keiretsu not simply because they tend to work for a shorter period of time in employment than men, but also because most men, particularly, men in keiretsu, tend to maintain the *status quo* even at the expense of falsifying their preferences regarding overwork and *Tanshin-funin*. They simultaneously know and deny the problems associated with these practices. Employers, for their part, value the workers who falsify their preferences regarding overwork and *Tanshin-funin*, taking it as a token of selfless devotion to the employer.

Chapter Eight

Time-off Work for Childcare: Double Pressure for Working Mothers

1 Introduction

This chapter demonstrates that the *status quo* decreases the effect of legislation on time off work for childcare, as it reduces the effect of the Equal Employment Opportunity Law, as noted in Chapter Seven. The chapter focuses on time off work for childcare not only because parenting is the most preferred childcare style, but also because gender imbalances in take up rates of time off helps maintain and reinforce the *status quo* regarding gender inequalities at work.

This chapter examines the following hypothesis; even though the legislation for time off work for childcare gives all fathers and mothers the entitlement to take time off for childcare, the *status quo* off sets the effect of the law and makes most fathers and mothers in keiretsu fail to use their entitlement to take time off while very few mothers in non-keiretsu firms use their entitlement.

If the *status quo* affects those who use the entitlement to take time off, the following will occur. As already noted in Chapter Seven, in keiretsu, the employer tends to exclude married female workers from high paid career paths, because he believes that women are unlikely to overwork and to accept *Tanshin-funin*; he believes that this indicates most women lack the most important elements of the *status quo*, selfless devotion to the employer and cooperation with colleagues. He expects all men to conform to this work pattern by overworking and accepting *Tanshin-funin*. If both parents fear they would lose out by confronting their employers, they will not take leave for childcare. This is more likely the case for fathers than mothers. In contrast, in

non-keiretsu firms where the *status quo* is not as firmly maintained as in keiretsu, working mothers are more likely to take time off. If it is the *status quo* that prevents most fathers and mothers from using their entitlement, only a limited number of mothers in non-keiretsu firms would access their entitlement of time off.

This chapter explores how parents take time off work for childcare in order to examine this hypothesis.

Before this examination, it illustrates how important time off work for children is for the family. In order to balance childcare and paid employment, the family needs one of the following arrangements: first, an increase in the public provision of childcare; second, better arrangements for working parents to take time off work for childcare; third, an equitable division of childcare tasks between men and women that enables both of them to balance family life with work responsibilities. The first is poorly provided for in Japan, where only 17 per cent of children under the age of two have access to public nursery schools (Ministry of Education 1997). The third is a very distant prospect, in Japan as elsewhere. Then, time off work for children is a key solution.

Because fertility rates continue declining and married women tend to leave employment for children, it is important to learn why working parents do not take time off work for childcare.

2 Childcare Provision from Public Source and Fathers

2.1 Heavy Responsibility of the Family

This chapter starts with a review of childcare provision, then considers the evidence about men's participation in childcare, before going on to focus on time off work for childcare as one of the crucial issues in Japan.

Mothers, in general, specialise in the care of children under three years old. In 1997, 74.8 per cent of mothers did not participate in the labour force when their first child was under one year old (Ministry of Health and Welfare 1998: 41). This is not only because mothers choose to look after children by themselves, but also because there are few carers to share the responsibility of rearing children within and outside the family. As will be further developed in Chapter Nine, people perceive mothers as responsible for rearing their own children below three years old, mothers are pressurised to choose childcare over paid employment.

Few public facilities are available for children under three years old. In 1997, 82.9 per cent of children in the age group 1-2 years were cared for by the family and unauthorised nursery schools, while 17.1 per cent of them were cared for at public nursery schools (Ministry of Education 1997; Ministry of Health and Welfare 1998: 155). Mothers can share childcare with grandparents and a few mothers can afford private nurseries: Together the family and private nurseries provide practically all childcare services for children below three years old. In 1997, 95.3 per cent of children aged below one year old were cared for by family members and unauthorised nursery schools, while only 4.7 per cent of them were cared for at public nursery schools (Ministry of Education 1997; Ministry of Health and Welfare 1998: 155). Even including children aged from 3 to 4,

mothering and grand parenting are the main sources of childcare in the family. Grandparents and other kin play an active role when the children are younger than 4 years old (Table 8-2-1).

Table 8-2-1: Types of Alternative Childcare, by Children's Age, in 1993

Age of Children	Nursery School	Private Nursery	Kindergarten	Grandparents or Kin
1-1.5 years old	20.5	21.4	0.3	47.4
1.5 – 2years old	29.5	24.9	N/A	38.6
2 year old	31.6	16.3	0.3	45.2
3 year old	34.1	17.6	3.3	40.7
4 year old	46.3	23.9	8.2	18.7
5 year old	42.6	21.8	12.9	20.8
6 year old	38.1	6.4	14.3	38.1

Unit: Figures in Percentage. (N/A = not available).

Data Source: Ministry of Labour (1994), appendix 86.

Note: Nursery schools, which the Ministry of Health and Welfare run, are designed for children with working mothers. Kindergartens are run by the Ministry of Education and are designed for children with jobless mothers.

Table 8-2-2 shows mothers with children below 1 year old vary in choosing their alternative carers by the type of labour force participation. Wives in full-time or part-time employment need their own or their husband's parents to share childcare; wives were more likely to rely on parents than on husbands in 1997. This is the same for mothers working in family owned businesses, but their husbands are more actively involved in childcare than grandparents living nearby the couple. Oddly, husbands with full-time housewives are more likely to provide childcare than husbands with wives in full-time employment. However, their wives are less likely to rely on their parents to share childcare than working wives.

Table 8-2-2: Alternative Carers to Mothers for the First Child under 1 Year Old, in 1997

(multiple answers question; unit: %)

Carers	Total	Full-time Housewives	Wife Full-time Employed	Wife Working in Family Own Businesses	Wife Part-Time Employed
Husband	33.9	36.7	20.8	37.6	22.0
Grandparents Living with family	19.2	12.1	44.0	38.1	28.6
<i>Husband</i>	14.8	9.2	33.3	30	25
<i>Wife</i>	4.4	2.9	10.7	8.1	3.6
Grandparents Living Nearby	16.7	14.4	26.0	17.7	28.5
<i>Husband</i>	4.1	3	8.4	5.7	7.7
<i>Wife</i>	12.6	11.4	17.6	12	20.8
Other Kin	2.5	1.7	4.6	5.7	4.2
Authorised Nurseries	2.8	0.5	12.7	3.4	8.3
Nurseries Within Firms	0.6	0	3	0.2	1.2
Other Nurseries	0.9	0.3	4.1	0.7	3
Private Nurseries and Nannies	1.1	0.2	4.2	1.7	7.7

Unit: total percentage is not 100 %.

Source: National Institute of Population and Social Security Research (NIPSSR) (1997), The Ministry of Health and Welfare (1998), p.41.

problem seems to have hit hardest for wives in employment living away from their parents.

2.2 Care Provision by Husbands

Fathers do look after their own children, but tend to practice less time consuming childcare tasks. Instead of spending time with children, many fathers perform their role by paying the expenses for child-rearing, as shown in Figure 8-2-1. Mothers take responsibility for routine childcare while fathers participate in special events; mothers feed, bathe, nurse and change nappies and fathers play with and discipline the children. Otherwise, they do not take part in childcare on a daily basis. Women spend 7 hours and 31 minutes on domestic work, including childcare per day (Table 8-2-3). This contrasts with fathers' contribution in paying living costs (Figure 8-2-1).

Table 8-2-3: Time Allocation for Childcare per day in Households with children under 6 Years Old, in 1996

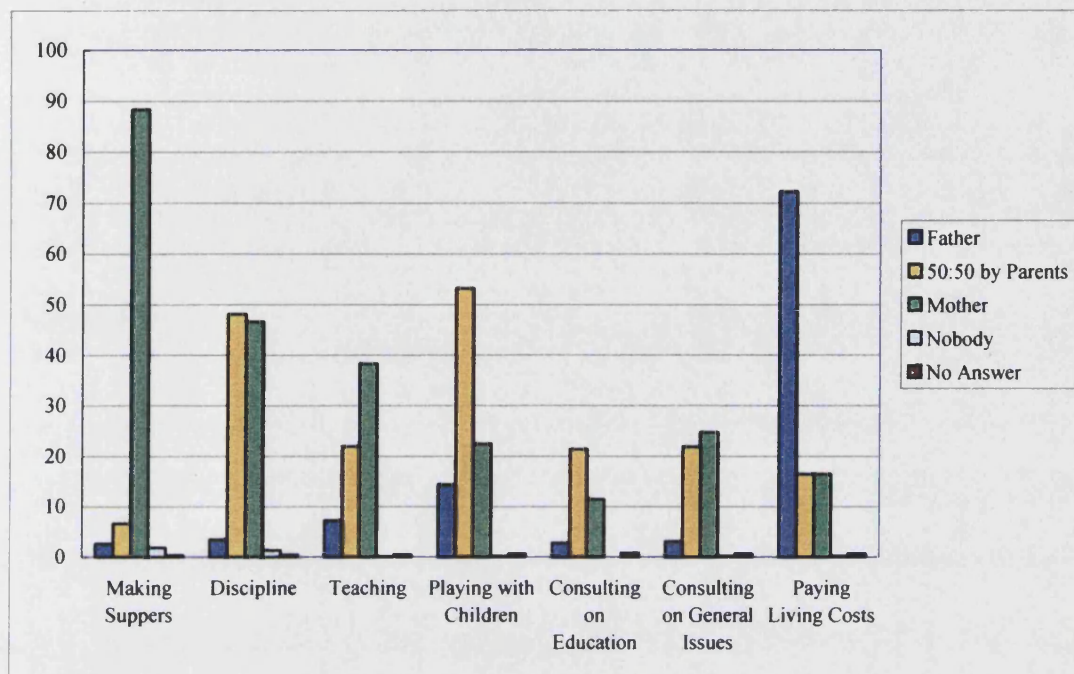
Tasks	Task Taker	Weekly Average	Weekday Average	Saturday	Sunday
Time spent on Childcare	Husband	00:17	00:10	00:29	00:38
	Wife	02:39	02:47	02:29	02:09
Domestic Work	Husband	00:37	00:20	01:02	01:32
	Wife	07:31	07:41	07:28	06:46

Unit: Figure = Hours: Minutes

Source: The Statistic Bureau of Management and Coordination Agency (1996), the Ministry of Health and Welfare (1998), p.83.

Note: Domestic Work includes 'Domestic Tasks', 'Nursing and Caring for the Elderly', 'Childcare' and 'Shopping'.

Figure 8-2-1: Household division of childcare, in 1997



Data Source: Nomura Research Institute (1997), Ministry of Health and Welfare (1998), p.90, Table 2-77.

Husbands rarely change their working time to account for care service work needed at home even when the wife is working outside the home. The husbands with a part-time working wife are less supportive than those with a full-time working wife in the 1990s; husbands do increase time spent on care service work for the family when the wife is in paid employment. But the Bureau of Women's Union (1995: 69) reported that even when both the husband and wife work full-time, there is a large disparity in time spent on care services for the family. It reported that female union members spent 3 hours and 10 minutes on unpaid care services for the family on an average weekday whilst their partners spent only 34 minutes on the same work in 1993 (Rengo 1995). This pattern is confirmed by the 1998 study by the Ministry of Health and Welfare.

The evidence above indicates that husbands are unlikely to change their lifestyle to enable a wife to work and have children. Husbands tend to perceive their role as father as paying the expenses for child-rearing as main breadwinner.

3 Time off Work for Childcare in Theory and Practice

3.1 Legal Background and Practice of Time off Work for Childcare

In legislation, Japan has well developed time off work for childcare, as compared with other OECD countries. In Japan, time off work for childcare has been legislated since the 1960s and the length of time allowed to working mothers is relatively long (Table 8-3-1). There are four types of time off work for childcare: 1) maternity leave for mothers, 2) paternity leave for fathers, 3) parental leave for both parents and 4) flexible working hours for parenting for both parents. Time off work for children began in 1963 when the law regarding maternity leave came into effect, and it has expanded since to include parental leave (Table 8-3-2). After 1992, the legislation on paid parental leave targeted all employees working full-time (Ministry of Health and Welfare 1998: 201). In 2001, it was amended to prohibit employers from laying off workers who have taken up parental leave and assigning to them posts requiring *Tanshin-funin*, or in other ways making it difficult for them to combine work with childcare. When employers assign parents with young children a post requiring *Tanshin-funin*, they must now ask workers if they are willing (Working Parents' Homepage 2003; Ministry of Health, Labour and Welfare 2001b).

Table 8-3-1: Parental Leave Regulations in Japan, Norway and the EU

	Right	Paid	Maximum duration	Part-time	Spread	Age of child
Japan	-	25 % of wages	3 years	No	No	0-3 ^⑩
Belgium	None	-	-	-	-	-
Denmark	Individual	USD 1120	26 weeks ^⑩	No	No	0-9
Germany	Family	DM600 ^④	34 months	Yes	Yes	0-3
Finland (2 different policies)	Family ^①	66 % of wages ^⑤	158 days	No	No	0-2
	Family	None	2 years	Yes	Yes ^⑩	1-3
France	Family	None ^⑥	3years	Yes	Yes	0-3
Greece	Individual	None	3 1/2 years	No	No	0-4
Ireland	None	-	-	-	-	-
Italy	Family	30 % of wages	6mths	No	No	0-2
Luxembourg	None	-	-	-	-	-
Netherlands	Individual	None	6mths ^⑪	Yes	No	0-8
Norway	Mixed ^②	100 % or 80% of wages	42 or 52 wks ^⑦	Yes	No	0-2
Austria	Family	OS 5565 ^⑧	24mths ^⑫	Yes	No	0-2
Portugal	Family	None	24mths	No	No	0-2
Spain	Family	None	36mths	No	No	0-3
United Kingdom	None	-	-	-	-	-
Sweden	Mixed ^③	Variable ^⑨	450days	Yes	Yes	0-8

Source: Bruning and Plantenga (1999), p. 197 table 1. European Commission (1997), p. 64.

NOTES

- ① After parental leave has expired, Finnish parents are entitled to child-care leave.
- ② In Norway, the father has an individual entitlement to 4 weeks' leave and the mother has an individual right to 9 weeks' leave, of which six are taken at the time of the birth of the child. The remaining days can be taken by either parent.
- ③ Sweden gives both fathers and mothers individual rights to 1 month of leave. The remaining days can be taken by either parent.
- ④ In Germany, during the first 6 months following the birth of a child, families can claim 'Erziehungsgeld' of DM 600 per month unless both parents are doing 20 or more hours of paid work per week or have a family income above DM 100,000 (single parents DM 75,000) per year. After the first 6 months, parents can only claim Erziehungsgeld if the family income is less than DM 29,400 (single parents DM 23,700) per year.
- ⑤ In Finland, 66% of wages are paid on condition that no use is made of subsidised child care.
- ⑥ In France, although no payment is made, a right to unpaid parental leave applies to the first child. From the second child, parental leave-related benefits apply up to a maximum of FF2,929.
- ⑦ In Norway, parents can choose between 42 weeks of leave paid 100 % of income, or 52 weeks of leave paid at 80 % of income.
- ⑧ In Austria, supplementary benefit of OS2, 500 is paid per month to single parents and low-income families.
- ⑨ Payment in Sweden is 'variable' in that the father and the mother are paid at 85 % of normal income for a month. Remaining days are paid at 75 % of income, apart from the final 90 days in which leave is paid at a fixed amount of SEK 60 per day.
- ⑩ In Denmark, parents have an individual right to 26 weeks of parental leave if the leave is taken before the child reaches the age of 1 year. In other cases, parents have a legal entitlement to 13 weeks' leave. If the employer gives permission, leave can be extended to a maximum of 1 year.
- ⑪ In the Netherlands, the standard regulation provides for a 6-month entitlement to (part-time) leave. Since 1 July 1997, 3 months' full-time leave can be taken or the leave can be spread over a period of more than 6 months if the employer agrees.
- ⑫ Regarding the maximum duration of 24 months leave in Austria, the final 6 months can only be taken if parents take 3 months' parental leave each.
- ⑬ In Finland, each parent can take up to a maximum of 4 periods of leave per child.
- ⑭ In Japan, maternity leave allows mothers to take up to 6-week pre-natal leave and 8-week post-natal leave with approximately 60 per cent of their salary. The parental leave law encourages employers to provide parents with children aged 1-6 with the same work arrangements as parents with children under 1 year old entitled to take parental leave and flexible work hour arrangement. Twenty five per cent of salary is paid from health insurance; worker pays its premium.

Table 8-3-2: History of the Law on Maternity Leave and Parental Leave

<i>Year</i>	<i>Law</i>	<i>Details</i>
1963	the Law on Maternity Leave	The maternity Leave for women employed in public sector started. The length is 180 days.
1972	the Law on Maternity Leave	The State passed maternity leave for women. This law, however, lacked a penalty on employers when they breach the law.
1975	the Law on Parental Leave for Mothers	For Limit Target: the State passed a law for parental leave for mothers employed by the State. The law mainly covered women in the public sector and working with special skills. Females employed as teachers at all levels, nurses at hospital and public nursery schools. The length of the Leave is 240 days.
1992	the Law on Parental Leave for Both Parents	The State asked employers to provide parental leave for both Parents. However, employers employing less than 30 persons full-time could neglect the duty until 1995.
1995	the 1st Revision of the Law on Parental Leave for Both Parents	After the revision, all employers had to offer parental leave for up to 1 year for both parents with a child aged under 1 year old. Leavers are relieved from payments for health insurance and social security during leave The unemployed benefit would guarantee leavers 25 per cent of the pre-leave pay.
1998	the 2nd Revision of the Law on Parental Leave for Both Parents	The new law added the flexible working hours for both parents. The other agendas are the same as in 1995. Leavers are relieved from payments for health insurance and social security during leave The unemployment benefit will guarantee leavers 25 per cent of the pre-leave pay. However, the laws lacks enforcement powers on firms.

1975 from Hashimoto (1996), p.58.

1995's revision; This payment is guaranteed by 'the law on employment insurance'

Time off leave for childcare, particularly for mothers in Japan, is relatively long. Maternity legislation guarantees pregnant women leave for 6 weeks before and 8 weeks after birth. Fathers can take 10 days of paternity leave (Ministry of Health and Welfare 1998: 122-123). Parental leave allows parents with children under 1 year old to choose between taking a one-year leave immediately after maternity leave or several-months leave plus flexible working hours; parents with children from 1 year to 3 years old are entitled to access to flexible working hours (Table 8-3-2).² Employers are encouraged to provide parents with children aged from 3 to 6 years old access to flexible working hours (Ministry of Health, Labour and Welfare 2001b; Working Parent's Homepage 2003).

There is an important difference, however in the use of parental leave between the public and private sectors. As the laws were established first in the public sector, employees hired by the state take the leave more easily. Within the private sector, there are significant differences in pay and the use of parental leave by firms (Social Development Research Institute 1996: 116). Some firms offer generous parental leave, with full payment of salary and 3-years' leave for childcare; other firms pay from 10 to 60 per cent of pay for a year.

Access to parental leave has been limited in practice to mothers in large firms, even though legislation from 1992 guarantees it to all mothers and fathers.

There are two points to note: first, time off work for childcare is more likely for large keiretsu firms than small/medium firms; second, time off work for childcare is not fully paid in Japan. Firstly, the larger the size of the firm, the higher the provision for maternity or parental leave in Japan. The Ministry of Health and Welfare (1998: 201)

² In the public sector, employees can access parental leave until their children reach 3 years old. In private sector, if the employer applies parental leave to parents with children up to aged 3 years old, parents can access parental leave until their children reach 3 years old.

reported that by 1996, 60.8 per cent of enterprises had introduced parental leave. In this survey, parental leave was found to be provided by 97.1 per cent of firms with over 500 full-time workers. In middle-sized firms with 100-499 full-time workers, the figure was 81.4 per cent, while parental leave was available only in 55.4 per cent of firms with 30-99 full-time workers. Yet, the smaller the firm, the larger the percentage of female workers. This means that mothers working in small firms are more likely to be excluded from the benefits of parental leave. Those with higher educational attainment tend to work in the large firms while those with lower or no qualifications work in small or middle-sized firms, where they cannot take parental leave.³

Secondly, these laws have guaranteed a certain period of time for leavers to take up time off, but provided little remunerative support until 1995. In 1995, the law on parental leave was introduced whereby leavers get paid 25 per cent of their salary during the leave (Ministry of Health and Welfare 1998: 202). Persons on leave are paid not by the employer, but by unemployment insurance, the premium of which employees themselves pay before the leave. During the leave, employers rather than employees are responsible for paying the monthly premium for unemployment insurance and health insurance (Ministry of Health and Welfare 1998: 202). The law on time off for childcare was combined with the law on time off for care of the elderly in 1992 and became effective from 1999 (Ministry of Labour 1999a: 115). The 1992 law permitted smaller sized firms with less than 30 employees to delay the introduction of time off for family care until 1998 (Ministry of Labour 1994). This law, however, has no enforcement power; the government simply makes efforts to inform employers that they are

³ By taking financial difficulties into account, the government delayed this provision for small sized firms until 1998 because of the higher financial costs for smaller employers (Ministry of Labour 1994).

responsible for paying the employee-on-leave's unemployment and health insurance premiums (Ministry of Labour 1999a: 115).

The government pays subsidies if employers pay allowances to working parents who use childminders and care takers for children or elderly parents; the government pays two thirds of the allowance for employers in smaller-sized firms with less than 1,000 employees and half of the allowance for employers in large size firms with over 1,000 employees (Ministry of Labour 1999a: 116-17). However, the allowance from the government is set out at a low upper limit: a maximum of 300,000 yen (1,500 pounds sterling) a year per employee for a maximum of 12 employees (3.6 million yen a year) in the same branch of the firm. As this support from the government does not fully cover the costs of leave, employers, particularly employers in smaller size firms, are not willing to offer time off work for childcare (Hashimoto 1996).

Consequently, in Japan, from a legal standpoint, time off for childcare lacks adequate payment and a sufficient amount of subsidies for employers in smaller sized firms.

3.2 Gap in Take up Rate of Time off Work for Children in General

The above problems reflect a gap between the legal position and the actual practice of time off work for childcare. Mothers in Japan are more likely to take maternity leave than parental leave. Amongst mothers in employment who gave birth in 1996, only 44.5 per cent of them took parental leave (Ministry of Labour 1997; Ministry of Health and Welfare 1998: 201). Although the legislation on parental leave allows mothers to leave one year after a birth, most working mothers in maternity leave return to work within 8 weeks; as many as 76.1 per cent of mothers in firms with over 5 employees returned to

work within 8 weeks (Table 8-3-3).⁴ A sizable minority of working women return to work before their 8 week entitlement is used.

Table 8-3-3: The Percentage of Women Who Took Post-natal Leave, in 1998

Size of Enterprise	Within 8 weeks (%)	Over 8 weeks (%)
Over 5 employees	76.1	16.6
Over 30 employees	87.5	12.0

Note: Ministry of Labour (1999a), appendix 69. Originally from Ministry of Labour (1998).

Those concerned about a lack of finance during lengthy time off work for childcare are less likely to take up parental leave. It is reported, moreover, that firms that pay the full cost of parental leave customarily pressurise leavers to retire after the leave ends (Toyo Keizai Shinpou Sha 1996a: 49-50). If mothers take full parental leave in the private sector, it is not only costly for the employer but also costly for the mothers. This is partly

willing to re-employ what they regard as 'deskilled'

If the leave is not paid, parents are less likely to access
pou Sha 1996a: 49-50).

the only reason why women do not take up their full
ental leave. In 1998, in firms with over 5 employees,
e employees left the job because of difficulties with the
child. This trend is stronger in larger firms, where
aid a part of salary; in the same year, 19 per cent of

period of absence and are unv
workers in the same level of job.
parental leave (Toyo Keizai Shir

However, this may not
entitlement to maternity and pa
15.3 per cent of pregnant female
pregnancy or preparing for the
workers are more likely to be p

pregnant female employees in firms with over 30 employees left a job for the same reason (Ministry of Labour 1999a: appendix 68; Ministry of Labour 1998).

As parental leave is particularly difficult to access, there is a wide gender disparity in time off for childcare, for maternity leave applies to mothers alone, not fathers. But take up rates for parental leave also indicate a significant gender bias. In Japan, three per cent of working parents were eligible for parental leave in 1996, and amongst the three per cent of working mothers, 44.5 per cent took time off leave for childcare.⁵ Fathers, on the other hand, did not take up parental leave; only 0.16 per cent of fathers took up parental leave (Ministry of Health and Welfare 1998: 201). Mothers thus accounted for 99.2 per cent of parental leave, while fathers represented only 0.8 per cent.

This suggests that, in Japan, the lack of payment and other elements in large firms discourages parents, particularly fathers, from taking up leave. As workers in large keiretsu firms are more likely to have access to parental leave than in small/medium firms, the *status quo* has a significant impact here. Chapters Five to Seven show that large keiretsu firms remain firmly within the *status quo* (male selfless devotion to the firm for lifetime employment on the basis of gender division of work between the husband and wife). This chapter further examines keiretsu employees' perception of the gender division of work at home via an analysis of time off work for childcare.

⁵ Working mothers in 1993 took up made more use of parental leave than working mothers in 1996; take up rate in 1993 for mothers was 48.1 per cent while it was 44.5 per cent in 1996. This suggests that working women may not be able to take up the leave for anticipating losing a job in the downturn of economy.

4 Analysis of Time off Work for Childcare

As maternity and parental leave are in greater use in large-sized firms, and smaller firms are not obliged to reveal their business information, this chapter uses a sample of large-sized firms. The total number of firms in the sample is 616 of which 394 conformed to the average monthly pay for men and women in the international level markets in the 1994-95 fiscal year.⁶ The analysis used a sample of firms in which shares are traded in the financial markets of Tokyo and Osaka. The data are obtained from the annual reports of Tokyo Keizai Shipo Sha (1996a, 1996b, 1999).

The most common features are that the firms have over 500 employees and started in business with an initial capital of over half a billion yen; 394 out of the 616 firms have this feature. The Ministry of Finance orders these firms to report the average monthly income of men and women in their official security reports each year; amongst the sample of 616 firms, 394 have an average monthly income for men and women of the firm. The income data were collected from the security reports of the firms in 1994-95.⁷ In the sample of 616 firms, there are 9 large categories of industry.⁸

Maternity Leave

Women are more likely to have access to pre-natal leave today than before but whether they can take maternity leave depends on the type of firm they work for. In 1994, 31.6 percent of working mothers left a job due to pregnancy if they were employed in a firm with over 30 employees. In 1998, as few as 1.2 per cent of female workers, including

⁶ See Appendix Chapter Nine (A).

⁷ The data were collected from the firms' security reports (1996 version) at the archive of the Ministry of Finance.

⁸ See Appendix Chapter Nine (B).

women in self-employment, family owned business and in firms with over 30 employees, gave birth. Nineteen per cent of the pregnant women in firms with more than 30 employees left their job for pregnancy in 1998 (Ministry of Labour 1997; Ministry of Labour 1999a: appendix 68). This change indicates that pregnant women in 1998 than in 1994 are more likely to stay in employment. From the early 1990s, the Government actively promoted policy on childcare as a combined with the reform of the welfare policy on elderly. This may encourage young mothers in the late 1990s to stay in paid employment after pregnancy as social norms on mothering changed by social environments (Roberts 2002). However, this also suggests that although women are allowed to take maternity leave and increased their take up rate, one out of five pregnant female workers still leave a job for pregnancy.

I hypothesise that the type of firm a women works for is decisive in whether she takes maternity leave or leaves her job. In order to find firms where women are more likely to enjoy maternity leave, I selected firms where 3 per cent of women used maternity leave in 1995; 3 per cent is approximately three times the average use of maternity leave in working women, 1.2 per cent in 1998. I selected firms where as many as 5 per cent of women were on maternity leave to further analyse the firmly type of industry of the firms.

The findings show that the type of industry affects the use of maternity leave. It was found that the 44 firms where over three per cent of women take maternity leave were predominantly manufacturing firms; 26 manufacturing firms, 9 wholesaling and retailing firms, and 6 finance and insurance firms. The manufacturing firms mainly produce machines and chemical products (Table 8-4-1).

Table 8-4-1: Women's Length of Time in Employment and More than 3 Percent Use of Maternity Leave, in 1995

Name	Length of time in employment (1995)(years)	Rate of Use of Maternity Leave (time off leave taker/all women)	Type of Industry	Industry detail
Kasumi	6.3	8.86%	Retails	
Ryukyu Ginko	11.5	8.33%	Finance	
Nippon Kemikon	10.3	7.64%	Manufacturing	Electronics
Tokiko	12.0	7.55%	Manufacturing	Transport Machine
Shinko denkiogyo	10.4	7.50%	Manufacturing	Electronics
Moss Foods Service	4.9	7.33%	Whole Sale	
Shimazu seisakusho	14.7	7.19%	Manufacturing	Precision Machine
Heiwado	7.4	6.08%	Retails	
Kemifa	8.0	5.81%	Manufacturing	Pharmaceutical
Kaou	8.7	5.41%	Manufacturing	Chemical
Nakabayashi	9.6	5.23%	Manufacturing	Other Manufacturing
Ushio denki	7.0	5.17%	Manufacturing	Electronics
Taiyo uden	9.4	5.07%	Whole Sale	Electronics
Nippon type writer	8.2	5.00%	Manufacturing	Machine
Kato Spring Seisakusho	6.7	4.93%	Manufacturing	Metal Product
Nissin denki	9.1	4.87%	Manufacturing	Electronics
Aomori Ginko	13.6	4.85%	Finance	
Koito seisakusho	10.7	4.85%	Manufacturing	Electronics
NOK	8.4	4.23%	Manufacturing	Transport Machine
Yaoko	5.2	4.13%	Retails	
Aines	5.9	4.15%	Services	
Fukushima Ginko	6.6	4.07%	Finance	
Yuraku Tochi	10.3	4.04%	Real Estate	
Nikon	13.0	4.00%	Manufacturing	Precision Machine
Nihon CMK	4.7	3.88%	Manufacturing	Electronics
Reon jidoki	6.5	3.75%	Manufacturing	Machine
Ito Yokado	5.2	3.73%	Retails	
Dai iChi Seiyaku	9.0	3.66%	Manufacturing	Pharmaceutical
Mitsuba denki seisakusho	9.9	3.65%	Manufacturing	Transport Machine
Nittsukou	5.0	3.63%	Manufacturing	Electronics
SMK	10.1	3.50%	Manufacturing	Electronics
Fuji Soft	3.1	3.47%	Services	
Tokimec	12.1	3.44%	Manufacturing	Precision Machine
Hokuriku Ginko	11.3	3.40%	Finance	
Teisan	8.5	3.36%	Manufacturing	Chemical
Zyoyo Ginko	8.7	3.29%	Finance	
Nanto Ginko	7.7	3.28%	Finance	
Komatsu	11.9	3.27%	Manufacturing	Machine
Fujirebio	7.5	32.47%	Manufacturing	Pharmaceutical
Yokokawa denki	11.3	3.25%	Manufacturing	Electronics
Senshukai	4.4	3.23%	Retails	
Nippon Denki Garasu	8.5	3.08%	Manufacturing	Glass, China
Daiko Denshi Tsushin	5.9	3.05%	Whole Sale	
KDD	16.7	3.05%	Communication	Media, Communication

unit: length of time in employment = years

Note: Figures indicate number of firms. Created by the author.

Data Source: The annual report of Toyo Keizai Shinpo Sha (1996a, 1996b)

regarding large-size, over 1000 employee firms, on the Tokyo and Osaka markets.

However, within this, the wholesale and retail firms tend to be more generous towards working mothers than industry and service-related firms, as indicates Table 8-4-2. In all, 14 firms have over 5 per cent of women taking maternity leave (Table 8-4-2). Four out of these are in the wholesale and retail industry: they are Kasumi, Moss Food Service, Heiwado and Taiyo Uden. The products of the other 10 firms are all machines; 4 precision machine firms, 4 electronics firms, 1 firm that produces machines for transportation and one firm producing machines for manufacturing.

Table 8-4-2: Firms with more than 5 Per cent Use of Maternity Leave, in 1995

Name	Industry	Industry details	Rate of Use of Maternity Leave
Kasumi	Retailing		8.9%
Ryukyu Ginko	Finance		8.3%
Nippon Kemikon	Manufacturing	Electronics	7.6%
Tokiko	Manufacturing	Transport Machine	7.6%
Shinko denrikogyo	Manufacturing	Electronics	7.5%
Moss Foods Service	Wholesaling		7.3%
Shimazu seisakusho	Manufacturing	Precision Machine	7.2%
Heiwado	Retailing		6.1%
Kemifa	Manufacturing	Pharmaceutical	5.8%
Kaou	Manufacturing	Chemical	5.4%
Nakabayashi	Manufacturing	Other Manufacturing	5.2%
Ushio denki	Manufacturing	Electronics	5.2%
Taiyo uden	Wholesaling	Electronics	5.1%
Nippon type writer	Manufacturing	Machine	5.0%

Note: Figures calculated and table created by the author.

Data Source: The annual report of Toyo Keizai Shinpo Sha (1996a, 1996b) regarding large-size, over 1000 employee firms, on the Tokyo and Osaka markets.

Women working in machine and chemical manufacturing, and those working in wholesale and retail, are more likely to take maternity leave than in other type of firms. This seems to be partly that in these sectors, working mothers tend to work in jobs

relating to customer services, marketing or Research and Development (R&D) where employers value their experience and educational qualifications. There may also be pressure from trade unions in individual manufacturing firms. Finally, firms that want their full-time women workers to continue work in employment may provide maternity leave where it would cost them more to train new workers than to provide paid leave.

These conditions apply to firms whose production processes are complex, such as the high tech manufacturing companies. The type of firm also matters in the use of maternity leave and duration of women's employment. Firms tend to be friendly towards women working full-time if their production procedures are complex, such as precision machines and electronics.

Parental Leave

The most striking point to emerge from the data is that compared with maternity leave, parental leave is not fully taken even in firms with over 500 employees that can normally afford to provide it to female workers. According to the Basic Survey of Female Employment (Ministry of Labour 1996), only 3.3 per cent of women in full-time employment took parental leave in 1996: 44.5 per cent of the mothers entitled to take parental leave. A significant number of working women are not therefore taking advantage of their parental leave rights. In theory, women in large firms tend to take parental leave. In reality, whether women actually take up parental leave depends on the type of firm; most keiretsu firms favouring male Tokyo university graduates in Table 6-2-1 provided one-year parental leave, not two- or three-year parental leave in 2002.⁹

⁹ The take up rates of parental leave in keiretsu firms in Table 6-3-1 in 2002 are not available as they did not disclose the number of female workers there and the number of workers who took a parental leave in 2002.

This suggests that it is not only size but also type of firm affects take up rates of parental leave.

Parental leave takes various forms in the private sector; pay during the leave ranges from no-pay to full pay; the length of the leave is from 1 year to 3 years. In order to find the type of firms favouring working mothers, I select firms providing two- or three year-parental leave out of 616 firms from 1995 (before the amendment in 1999).

Among the 616 firms, 11 offer 36 months of parental leave while 12 provide 24 months of parental leave from 1995 to 2002. Actual take up rates are more likely to be high in the firms providing 36-month parental leave; in nine out of 11 firms, more than 3.3 per cent (the average take up rate of parental leave in 2002). Although the number of female workers in general and female workers taking up parental leave increased in eight firms, only two of them have more than 3.3 per cent take up rates of parental leave (Table 8-4-3).

When the firms in Table 8-4-3 are sorted by take up rates of parental leave, we find the following. If women work in light manufacturing, such as medicine or in electronics, and have 24 months or longer parental leave, then the firms have a female-friendly corporate culture (see Table 8-4-3). In contrast, even if there is parental leave of 24 months or longer, women are less likely to access parental leave in finance and insurance and service sectors. These firms are in keiretsu. In other words, the keiretsu may offer good leave provision, but women are less likely to use it.

Not surprisingly, the average length of time in employment for women in finance and insurance is shorter than that of women in manufacturing and retail (Table 8-4-3). The average woman in firms offering 36-month parental leave is likely to stay in employment for a longer length of time than in firms offering 24-month parental leave.

Table 8-4-3: The Firms Providing 36- or 24-Month Parental Leave from 1995 to 2002

Name	Average length of time in employment (2002)	Average age of women (2002)	Length of time of Parental Leaves (months)	Industry	Industry details	no. of women in parental leave (2002)	no. of female employees (2002)	women in parental leave/female employees
Fujjiko	9.7	36.4	36	Manufacturing	Food	3	205	1.5%
Fujisawayaku	15.6 (1999)	35.4 (1999)	36	Manufacturing	Pharmaceutical	51	1114	4.6%
Nihon musen	12.8	35.6	36	Manufacturing	Electronics	20	450	4.4%
SMK	14.3	34.9	36	Manufacturing	Electronics	13	301	4.3%
Matsuya	16.3	36.9	36	Retails		11	388	2.8%
Isetan	16.3	36.4	36	Retails		135	2806	4.8%
Hanshin Haykkaten	11.2 (1999)	31.9 (1999)	36	Retails		n.a	728 (1999)	n.a.
Hankyu Hyakkaten	11.2	30.7	36	Retails		120	2105	5.7%
Credy Sezon	8.9	31.5	36	Whole Sale		61	1016	6.0%
Izumi	5.1	26.0	36	Retails		55	1028	5.4%
Mitsubishi Shintaku Ginko	13.4(1995)	37.9	36	Finance		n.a	2631	
Asahidenka	8.7	30.0	24	Manufacturing	Chemical	6	88	6.8%
Fuji denki	16.1	37.2	24	Manufacturing	Electronics	n.a	1513 (1999)	
Meidensha	14.0	33.5	24	Manufacturing	Electronics	26	429	6.1%
Okidenki kougyo	13.0	34.5	24	Manufacturing	Electronics	n.a	n.a	
Richo	11.7	32.4	24	Manufacturing	Precision Machine	82	n.a	
Yuni Charm	6.6 (1999)	30.8 (1999)	24	Manufacturing	Chemical	9	279	3.2%
Daimaru	16.8	31.8	24	Retails		57	3751	1.5%
Daiwa Shoken	7.8	30.1	24	Finance		55	2726	2.0%
Nikko Shoken	7.7 (1999)	31.1 (1999)	24	Finance		61	3297	1.9%
Nomura Shoken	8.4 (1999)	29 (1999)	24	Finance		n.a	3681	
Yamato Unyu	3 (1995)	28.7 (1995)	24	Transportation	Rail, Sea Transportation	67	13399	0.5%
Fuji Soft ABC	3.1	28.2	24	Services		24	751	3.2%

Note: the number of female employees for Fujisawayaku, Yuni Charm, Nikko Shoken, Nomurashoken was in 1999 and for Yamato Unyu was in 1995. Figure in () is year.

The evidence above shows that parental leave works only in limited cases; it works for manufacturing and retail, but not for the finance and insurance sectors. The report by Toyo Keizai Shinpo Sha shows that some employers they interviewed in 1995 did not expect women to continue working after marriage and child birth. At the same time, these employers had corporate regulations that guaranteed working parents access to time off leave for childcare in order to attract female students for a female-only career path (Toyo Keizai Shinpo Sha 1996b).

5 Factors Limiting Time off Work for Childcare

5.1 Preference Falsification as Token of Selfless Devotion to the Firm

The above indicates that working women do not take time off work for childcare, particularly for parental leave, partly because of financial difficulties. This, however, does not fully explain why women with an entitlement to maternity leave return to work before the full length of the leave ends and why women in the keiretsu banks and insurance companies are unlikely to take up parental leave while women in manufacturing and retail, where payment during leave is lower, are likely to take it up.

We already know that in keiretsu financial and insurance companies, employers apply a two track career path for women with higher educational qualifications. In these firms, married women are pressurised to leave even though employers provide lengthy parental leave with relatively generous payments. This suggests, as noted in Chapter Seven, that keiretsu, in particular, keiretsu financial and insurance companies, have corporate customs that pressurise women to leave after marriage or pregnancy. I noted earlier that employers and senior colleagues in keiretsu value workers who practice

preference falsification regarding overwork and *Tanshin-funin*. They also value workers who practice preference falsification regarding maternity and parental leave because they consider that workers are prioritising time for the firm over time for the family when they fail take up the leave.

The *status quo* in keiretsu negatively affects the take up rates of time off for childcare as follows. Employers in keiretsu value male employees who accept overwork and *Tanshin-funin*, because they consider these men are selflessly devoting themselves to the employer, even at the expense of their health and family life. In contrast, they believe that women are likely to reject overwork and *Tanshin-funin* because they lack this selfless devotion. Along the same lines, employers and male peers view parents who take maternity and parental leave as working in their own rather than the corporate interest. Thus, parents taking up time off for childcare are viewed as violating the *status quo*. Fathers, in particular, concerned about financial loss due to their role as the main breadwinner, are unlikely to claim parental leave. Because *Tanshin-funin* tends to be a custom in keiretsu, this trend is stronger in keiretsu than in small/medium firms.

The *status quo* affects mothers in two track career paths in different ways. Working mothers in elite career paths are expected to accept overwork and *Tanshin-funin* and to give up taking care of their own children unless they have marketable specialised skills. In contrast, working mothers in assistant career paths in keiretsu are expected to leave a job for pregnancy, to conform to the role of wife and mother who selflessly supports the family. Employers do not require these female workers to accept overwork and *Tanshin-funin*. If women in assistant career paths, however, take maternity and parental leave in order to keep their jobs after a pregnancy, employers and senior colleagues view them as violating the *status quo*. These women

lack marketable specialised skills – the only thing that could exempt them from following the *status quo*.

5.2 Preference Falsification regarding Parental Leave

I consider now whether workers conform to dominant preferences within the *status quo* (i.e. practice preference falsification) because they are concerned about their reputation loss in the eyes of their employers and senior male colleagues. The previous chapter analysed how senior male colleagues can pressurise junior workers to conform to their own preferences regarding *Tanshin-funin* by preference falsification. This section explores whose preferences dominate regarding parental leave, and whether parents practice preference falsification regarding parental leave.

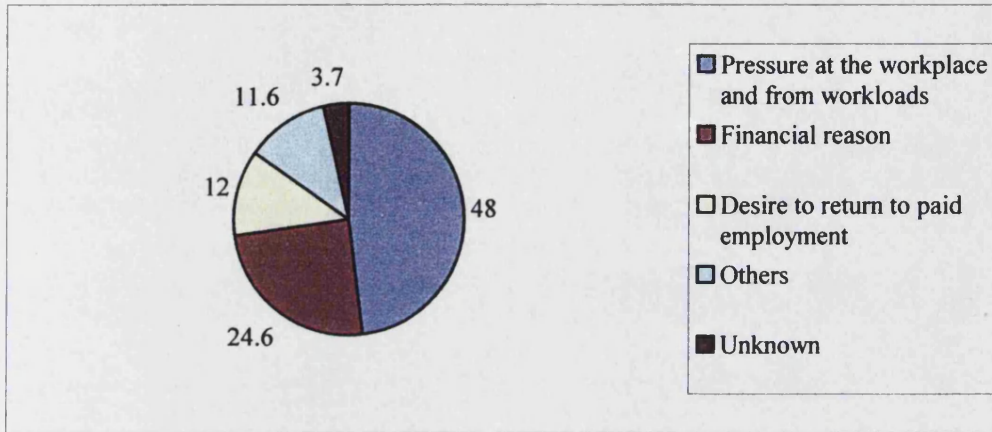
Not only mothers but also fathers enjoyed taking care of their own children. In 2001, the National Personnel Authority carried out a survey regarding male workers experienced parental leave in the public sector; 78.6 per cent of the leavers felt intrinsic enjoyment in caring for children; 66.7 per cent took leave out of a sense of responsibility as parent; 71.4 per cent preferred to share care services at home; 50 per cent stated that they would like to recommend taking parental leave to male colleagues (Nikkei Hourly New 2002c 28 August 22:00 PM).

Parents particularly favour the short work hour option. For example, 56.2 per cent of working mothers said they felt the need for flexible working hours for childcare in 1992 (Hashimoto, 1996: 86; Women and Youth Association 1994). In theory, flexible working hours are available in 41.2 per cent of all firms, but most employees cannot take up this provision. It is worth noticing that even fathers regard flexible work hours as important for rearing their own children; approximately 30 per cent of fathers wanted to

reduce work hours to care for their children but only 6.5 per cent of them could do so (Nikkei Hourly News 2003 1 March 01:00 AM). Both parents they enjoy taking care of their own children and would like to take up parental leave, but do not do so. The main question is why?

Pressure from employers and male peers makes it difficult for parents, particularly fathers, to access time off work for children; as a result, parents will not access parental leave even though they are legally entitled to it. Evidence indicates that employers and colleagues do not welcome people taking up parental leave, and that workplace pressure discourages employees from taking time off work for childcare. The National Institute of Research Advancement (1992) reports that the corporate culture makes it difficult for mothers to take leave for childcare. Indeed, working mothers are more likely to give up parental leave due to pressure at the workplace and from workload than for financial reasons. The Ministry of Health and Welfare (1998: 203) indicates that in 1996, 48 per cent of working mothers cited pressure at the workplace and the demands of the tasks they were engaged in as their main reason for failing to take up parental leave (Figure 8-5-1). Mothers feel pressurised by their colleagues both during and after parental leave, because their absence means extra work for their colleagues. This is because the majority of employers do not hire workers to replace the leavers; only 31.8 per cent of employers hired workers to replace leavers, in 1996 (Ministry of Health and Welfare 1998: 202).

Figure 8-5-1: The reasons why mothers with less 6-month-old children did not take up parental leave, in 1996



Unit: percentage

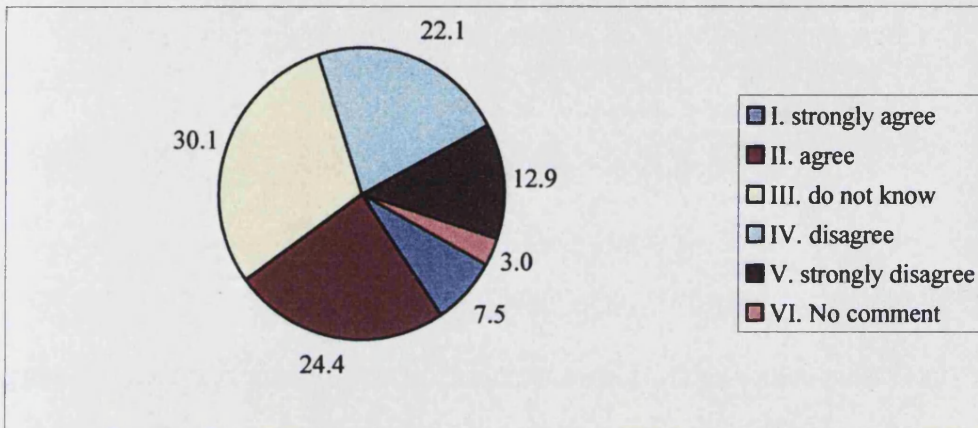
Source: Minister's Office of Ministry of Health and Welfare (1997), Ministry of Health and Welfare (1998), p. 203 table 4-50.

Fathers face even greater difficulties in taking time off work for childcare because of their concern over their future careers. The significantly low take-up rate demonstrates that men cannot and do not leave their jobs (Ministry of Health and Welfare 1998: 200). The same is true of mothers with 6-month-old children who

overwork.

Figure 8-5-2: Employers' perceptions regarding men's parental leave, in 1995

(1) Employers who Agree with the statement: 'I feel fine that men take up parental leave'

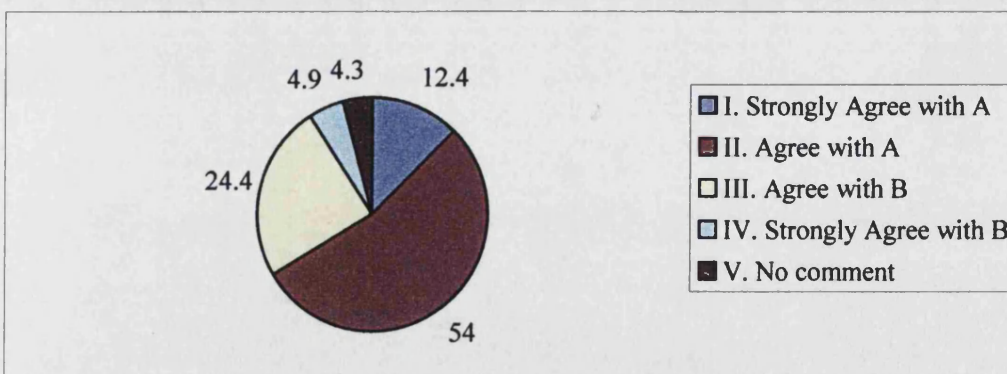


(2) Employers believe how parental leave affects an employee's future career

Employers were asked if they agreed with A or B

A: Parental leave is such a short period that it hardly affects the future career of employees.

B: Parental leave interrupts such an important part of the career that the leaver's career will be negatively affected.



Unit: percentage

Source: Nissei Research Institute (1995), Ministry of Health and Welfare (1998), p. 201 table 4-48.

As Kuran's analysis of opinion leadership suggests, however, 30 per cent of

keiretsu employers could significantly influence other people's perceptions. Jobs outside keiretsu are not as stable as in keiretsu and are unlikely to pay such high wages. Men in keiretsu are already privileged by their financial positions, and are less likely to challenge customary work practices such as *Tanshin-funin*. As long as job changes are relatively rare for men in keiretsu and the labour market has largely downward mobility, people already hired in large keiretsu firms dare not risk losing their jobs. The same holds for men in small/medium sized firms, who are afraid to move down to even smaller firms where their salaries will be still lower. Employers in small/medium size firms may be less concerned by fathers taking parental leave but they are less likely to finance it. Furthermore, when employees do not know employers' perceptions regarding time off work for childcare, it is safer for them to conform to the standard work pattern common in keiretsu.

The pressure is even stronger when a father takes parental leave, and his employer does not hire a substitute worker; his absence then increases the workload of his peers. As noted in Chapter Five, Japanese firms foster and maintain the collective identity of the corporation. Workers feel uneasy when they prioritise their personal and family needs, and particularly so when their peers make up the workload of those who take leave.

It is therefore not only fear of future loss of status, but also altruism and a sense of responsibility that makes working fathers reluctant to take leave for childcare. Male workers develop ties with their peers as they spend a significant amount of time together in socialisation; in line with Folbre's (2001b: 38-41) argument that people come to feel attached to those whom they take care of, male workers will form strong ties with managers and work peers through this process. This is reinforced by the values and norms in the workplace, which make the wife solely responsible for child rearing. Male

workers taking parental leave are thus considered 'irresponsible', since they do not devote themselves selflessly to the firm and have little consideration for peer workers who have to take up their workload.

6 Conclusion

This chapter argues that even though all parents are entitled to time off work for childcare, very few fathers, particularly, those in keiretsu, take a leave for childcare, and that most Japanese women are pressurised to choose either children or paid employment, as working parents have difficulties accessing time off work for childcare within the *status quo*.

Without time off work for childcare, working parents face difficulties. As the *status quo* also encourages family members to provide childcare to young children aged below three years old, there are few private and public childcare facilities available for working parents. More importantly, within the *status quo*, parents themselves prefer not to use childcare services which are externally provided. This suggests that parental leave is the best solution to encourage people to both stay in employment and rear children.

However, although the legislation permits workers parental leave in Japan, only a few working mothers actually take up the time off work. Most parents in Japan tend to give up their entitlement to parental leave partly because they fear little financial support during the leave, partly because they concern a financial loss in the future, and partly because they feel pressurised to choose between either paid employment or caring the family.

To sum up, parents in small/medium firms may not take the leave because their employers are unlikely to pay a part of salaries during the leave. Furthermore, the

salaries women in general earn are so small than they cannot support the family if their husbands take parental leave. Meanwhile, keiretsu tend to adopt two track career paths: the elite career path and assistant career paths. But this makes it difficult for many fathers and few mothers in the elite career path to use their parental leave entitlement as they fear a financial loss in the future.

Parents in elite career paths rarely take any time off for family reasons. This relates to an important element in the status quo regarding men's selfless devotion to the employer. As argued in Chapter Seven, employers in keiretsu reward workers who practice preference falsification regarding overwork and *Tanshin-funin*, taking this preference falsification as a sign of selfless devotion to the employer. In the same way, employers are unlikely to reward workers who leave a job for health or family reasons.

Managers and senior workers regard highly those who risk their own health and the family life for the firm. The opposite applies to those who take up parental leave; prioritising the family over firm and fellow workers lessens one's reputation, and may ultimately affect one's chances of promotion. If parents in the elite paths concern a loss of financial security, they are likely to give up their chances of parental leave, and may practice preference falsification in order to show that they are conforming to the *status quo*.

As the *status quo* strongly encourages women to stay at home to take care of their own children, working mothers in elite career paths have the most difficulty taking leave. Within the *status quo*, it is ideal for mothers to look after their own children, maintaining a strict gender division of work, which give their husbands more time to socialise with co-workers and managers and to work extra hours. The cases of industrial tribunals in Chapter Seven indicate that working mothers who took time off but then returned to work faced particular difficulties in pursuing their careers because they

violated gender roles in the *status quo*. The empirical evidence in this chapter shows that mothers in elite career paths can ease pressure in the work place and take maternity and parental leave only if they possess marketable skills few other workers possess.

Mothers in assistant career paths may attempt to take parental leave, but tend to find it difficult to stay in employment after a pregnancy as managers and co-workers expect them to leave the job and follow the *status quo*. These women have fewer marketable skills than women in elite career paths in manufacturing and the retail sector. Accordingly, most women in both career paths are likely to feel pressurised to choose either paid employment or caring for the family.

The *status quo* not only affects people within keiretsu but also people outside keiretsu. As keiretsu act as the opinion leader, a minority of keiretsu employers can influence people outside keiretsu. The resulting values and norms generally preclude working mothers from staying in their jobs while their husbands take parental leave and instead pressure mothers into taking on the child rearing role. The main problem of parental leave is that as long as the *status quo* is sustained, it tends to allow only a few mothers with marketable skills in manufacturing and the retail sector to take parental leave; most fathers continue practicing preference falsification regarding parental leave; and most mothers continue choosing either paid employment or caring for the family.

After the recessions in the 1990s, the *status quo* weakened a little as keiretsu selected fewer men and women for the traditional male career paths while other men were chosen for traditionally women's assistant career paths; the Ministry of Health, Labour and Welfare reports that 55.9 per cent of employers selected fewer men and women for the elite career paths in 2002 (Nikkei Hourly New News 2002a 25 June 21:00 PM). However, this change only emerged recently; Retherford, Ogawa and Matsukura (2001) argue that there is a time lag between economic changes and a shift in prevailing

values and between changes in values and changes in people's behaviours. More importantly, the change may further encourage the selection only of parents with marketable skills as appropriate parents to take up parental leave. Thus, it is important to view the low take up rates of parental leave in relation to the more fundamental problem of the *status quo*.

Chapter Nine

Fertility Decline in Japan

1 Introduction

The final part of the jigsaw puzzle is the declining fertility rates in Japan. I turn now to this remaining question about how my analysis of prevailing gender norms helps explain the phenomenon of rapidly declining fertility rates.

Human capital theorists expect married women to choose paid employment over having children as the costs of raising children increase. To some extent, this explanation applies to the Japanese case, in that parents concerned about the significantly high costs of child rearing may have a smaller number of children than they desire (Retherford, Ogawa, and Sakamoto 1999). However, human capital theory provides little explanation for the limited increase in the labour force participation rates of married women. It also failed to explain why married women with higher educational qualifications are less likely to participate in the labour force than married women with lower educational qualifications.

As has been demonstrated, the *status quo* in Japan stresses maleness and having a supportive wife who specialises in unpaid childcare services as an important component of membership of social 'elite'. Good mothers specialise in unpaid childcare services while good workers selflessly devote their time to the employer, including socialisation with managers and co-workers. Working mothers, however, fully follow neither of these patterns. This means that when they choose to be working mothers, they have to challenge the deeply entrenched social values and norms of the *status quo*.

In order to secure a job or married life, most women and men will tend to avoid risks when they perceive their probability of winning as small. As long as most people regard the *status quo* as unchangeable, challengers can expect to face heavy pressure from others; this is particularly so in keiretsu, as noted in Chapter Seven. They will often make choices amongst available options instead of challenging the existing norms. In societies where people are encouraged to act as individuals, the pressure from others is less. However, in societies such as Japan, where group orientation is strong in both the workplace and the home, challengers risk significant damage to their reputations as workers and mothers if they do not conform. People in group-orientated societies are more concerned about the damage to reputation than those in more individualistic societies. As a result, they are less likely to expect to win against the existing perceptions when they challenge social norms regarding workers and mothers.

Thus, if reputation-sensitive women in Japan prefer to avoid the pressure associated with being a 'good' mother, there are only two options: first, to follow the values of being a 'good' worker but have no children; second, to follow the pattern of being a 'good' mother and not participate in paid employment. In both cases, these women dent their reputation less than working mothers. As the *status quo* persists, mothers are more likely to follow the pattern of being a 'good' mother. By contrast, childless women (both single and married) are likely to follow the pattern of a being a 'good' worker and delay having children. Because working single women tend to delay having children, fertility rates continue to decline without being accompanied by an increase in married women's labour force participation.

To explore my hypothesis, I begin with a general model, differentiating four responses available to women as they make their choices between paid work, with and

without children, and then test the validity of these models against survey evidence from Japan.

2 Explaining Fertility Decline and Women's Work Patterns by Qualification

2.1 General Model of Women's Preference

Assuming that people in Japan believe the *status quo* to be given and constant over time, women can react to the pressures of child rearing in four ways (Table 9-2-1).

Table 9-2-1: Women's Work Pattern and Motives for Providing Care Services at Home

	Gender Role	Marital Status	Mothering	Other Activities	Priority	Conflict over Mothering
Group I	Mother	Married	Yes	None	Mothering	No Conflict
Group II	Mother	Married	Bargains with Husband	Paid Employment or Family Worker	Other Activities Than mothering	Conflict with employers and within the family
Group III	Mother	Married	Yes	None	Other Activities than mothering	Inner Conflict
Group IV	Daughter or Wife	Single or Married	No	Paid Employment or Family Worker	Other Activities than mothering	No Conflict

Note: Table is the author's creation.

Group I (mothers preferring child rearing and specialising in it) consists of wives who prefer mothering to other activities and hence experience fewer conflicts both within themselves and with their husbands. Group II (working mothers) consists of wives who prefer not to specialise in mothering, and as a result have to bargain over ways to share the costs of children with others. This is often coupled with conflict and the persistent financial risks of divorce. Group III (not preferring child rearing but

specialising in it) is comprised of wives who do not want to specialise in mothering, but cannot avoid it due to a lack of personal resources, and so succumb to mothering in order to avoid confronting others; these pay the penalty of internal conflict. Group IV (single and married childless working women) is those women who simply stay single or give up on having children. This allows them to avoid all conflicts of negotiation with others regarding children and enables them to place their personal preferences above social ones. However, this stance creates external conflicts due to role avoidance.

Most importantly, women in two patterns out of four (Groups II and III) are not satisfied with the current care work arrangement but nevertheless take up care work at home; they have contradictory needs and desires because of multiple self-identities. Married women are forced to make choices regarding paid employment and family lifestyle under pressures that single women hardly face.

2.2 Increase of Single Women in Paid Employment

As already noted in Chapter One, the average woman under the age of 40 today has fewer children than before the 1970s (see Table 1-5-1). Empirical evidence shows that as young childless women and women in age group of 40 and over are likely to have fewer children than before, fertility rates decline. Table 9-2-2 indicates the average number of children mothers had by age group during 1972-1997. In 1997, the average mother had 1.84 children while the average woman, including childless women, had 1.39 children. The gap between these rates was as great as 0.45. In contrast, in 1972, the gap was only 0.2; the average mother had 2.13 children while the average woman had 1.93 children. By age group, this trend is strongest for mothers in age group of

45-49 and 25-29. Women in their late 20s and early 30s today are more likely to stay childless than women in the same age groups in the 1970s and mothers in their 40s and over today are likely to have fewer children than mothers in the same age group in the 1970s. As a result, fertility rates decline.

Table 9-2-2: Number of Children per Average Wife, 1972-1997

Year of Survey	No of children the average wife had	No of children the average wife had by age group					
		20-24	25-29	30-34	35-39	40-44	45-49
1972	1.93	0.64	1.41	1.99	2.18	2.35	2.73
1977	1.89	0.73	1.35	1.99	2.15	2.19	2.33
1982	1.93	0.50	1.28	1.99	2.16	2.21	2.21
1987	1.96	0.73	1.31	1.97	2.14	2.18	2.22
1992	1.90	0.69	1.09	1.76	2.15	2.16	2.18
1997	1.84	0.68	0.95	1.61	2.06	2.18	2.13

Source: National Institute of Population and Social Security Research (NIPSSR) (2001).

Note: Wives in the sample are those of the first marriage and below 50 years old

It is interesting to note that it is young childless women rather than mothers in age group 40 and over who seem to be responsible for the decline in fertility rates in the 1980s and 1990s. As many as 55.5 per cent of the older mothers in 1997 still had two children, and though less likely than before to have more than four children, as many as 24 per cent still had three children. This suggests that mothers in age group 45-49 do not contribute significantly to the falling fertility rates during the 1980s and 1990s. The key change is the increase in the number of young childless women.

Table 9-2-3: Mothers in Age Group 45-49 by Number of Children, in 1970, 1977-1997

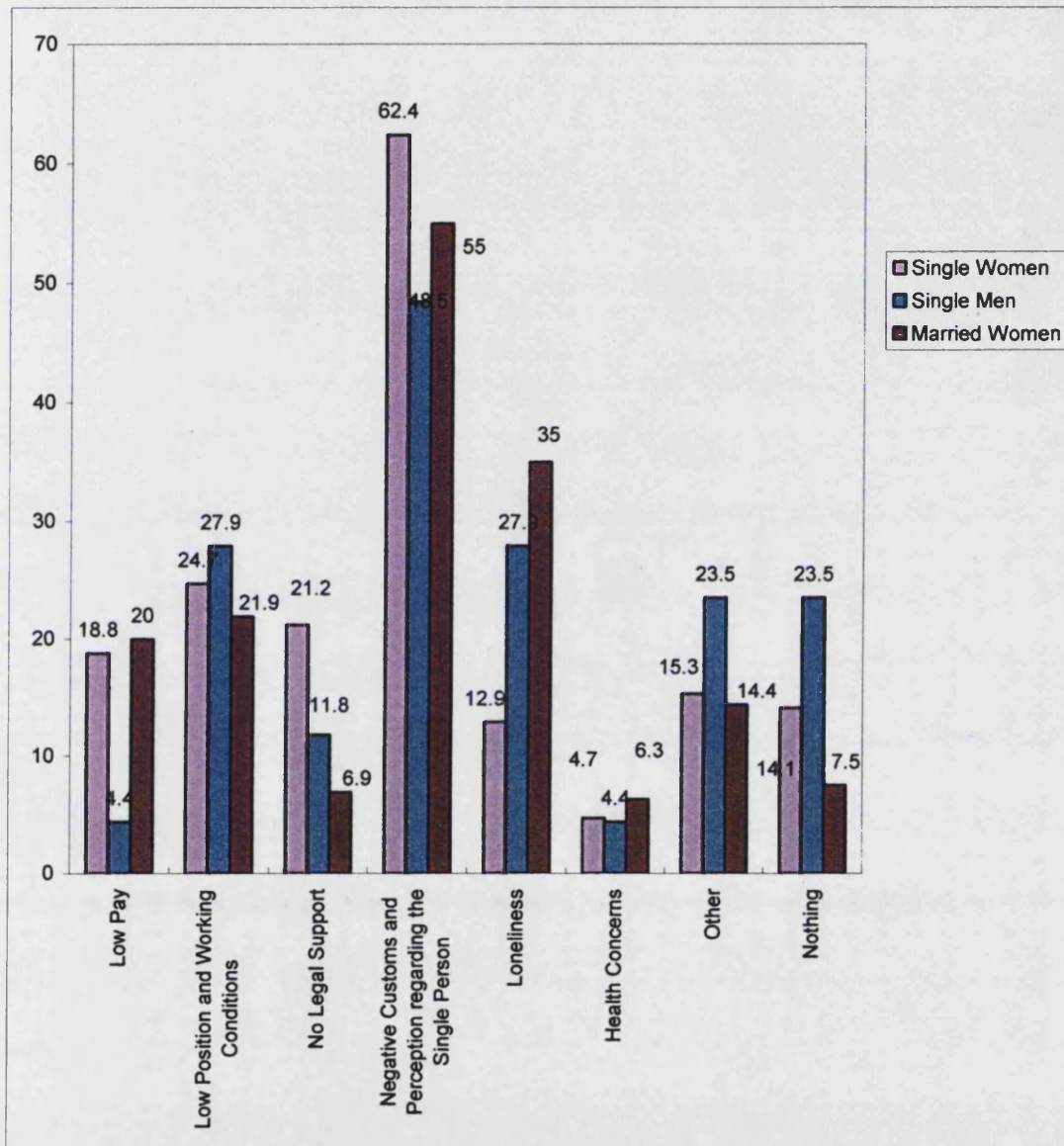
Birth Year Mothers age group 45-49	Year of Survey	Proportion of mothers with no. of children (%)					Average No of Children
		0	One	Two	Three	Over Four	
1921~1925	1970	6.9	9.2	24.5	29.7	29.6	2.86
1928~1932	1977	3.6	11.0	47.0	29.0	9.4	2.33
1933~1937	1982	3.6	10.8	54.2	25.7	5.7	2.21
1938~1942	1987	3.6	10.3	55.0	25.5	5.5	2.22
1943~1947	1992	3.8	8.9	57.0	23.9	5.0	2.18
1948~1952	1997	3.2	12.1	55.5	24.0	3.5	2.13

Note: same as table 9-2-2. The data between 1970 and 1988 are unavailable.

To return to my general model, it appears that the proportion of women in Group IV increased as preferences polarise between Groups I and IV. As already demonstrated in Chapter One, the responsibility on children to support elderly parents has reduced as a result of the introduction of state pensions in the 1950s; this means there is less of a pragmatic necessity to have children in order to guarantee support in old age. This may make Group IV option more possible for single working women. At the same time, changes in the economy have led to a decline in family-owned businesses, reducing the proportion of women who take the Group II option of working mothers. Before the 1970s, married women could stay at home and work in family-owned businesses (Takenaka 1989) but formal employment in firms has replaced informal work in family-owned businesses since the 1970s. The Group II option (working mother option) is therefore more difficult for women today than before the 1970s.

These changes, however, do not necessarily mean that people now prefer to remain single. As Figure 9-2-1 indicates, both single and married women are aware of the prejudice against remaining single: as many as 62.4 per cent of single women and 55 per cent of married women cite the negative customs and perceptions regarding single people as a key problem in remaining single.

Figure 9-2-1: The perception on the difficulties of staying single, in 1993



Source: National Institute of Research Advancement (1993b), P.93

Perceptions regarding marriage play an important role. It is worth noticing that people's perceptions regarding remaining single vary by gender and marital status. Although all agreeing that there are difficulties in staying single, single men, single women and married women find different aspects of single life troubling. In terms of

gender differences, single and married women are more likely than single men to feel that social customs and perceptions of single people pressure into marriage. Women are more likely to be concerned about their lower pay than single men, while single men are less likely to find that staying single problematic. In terms of the differences in marital status, married women are less likely to feel that the lack of legal support for single people is a problem while single men and women are likely to feel it problematic. Single men and women are more concerned about the lower social status of single men than married women are. Interestingly, married women are most likely to feel that loneliness is a problem. Single men also express this concern, while single women are the least likely to be concerned about loneliness associated with remaining single. The findings suggest that single men and single and married women may seek different fulfilments through marriage, and are motivated differently by gender.

Another question arises: why do a larger proportion of women today choose the Group IV option even though clearly concerned about the lack of financial and legal security and the negative perceptions of single people?

The answer lies in the shifts in gender roles from daughter to wife and mother in set out in Introduction. While the self-identity of daughter and worker can readily co-exist, the self-identity of mother and worker rarely can. Despite the perceived difficulties of remaining single, many single women nonetheless delay starting a family. In the survey in which single men and women aged 25-34 chose three reasons why they remained single, the top two reasons why women in this age group stay single is, first, they have not met the right marriage partner and second, they would like to enjoy the freedom of being single. In 1997, 49 per cent of women claimed that they stayed single as they had not meet the right person, 38 per cent responded that they would not like to lose the freedom they enjoy as a single, and 35 per cent

responded that they did not need to get married. In 2002, despite the decreases by a few percentages in these reasons, they were still the top three reasons why young women remain single (National Institute of Population and Social Security Research 2003: 12). The National Institute Population and Social Security Research (2002: 8) reported that young single women, particularly those in age group 25-29 have high incentives to stay single as they benefit more in staying single. As young single women are likely to be in employment, they are financially more secure than women before the 1970s. The meaning of marriage for them differs from that of single women in the 1950s, who expected financial security through marriage and having children (Ihara 2000). The change in value of marriage enables young single women today to have the role of both an unmarried daughter and a worker.

Although the value changes after the 1970s allowed single women to act as both an unmarried daughter and a worker, it did not enable mothers to act as both mother and worker. Childless women in Group IV do not have to choose either the worker or mother role but mothers have to do so. Mothers today are likely to experience pressure to choose the roles of wife and mother over the role of mother. The earlier chapters demonstrated that the *status quo* would not allow workers to spend time for the family. If they do so, they are excluded from financially secure jobs. As Japanese families prefer parenting as the type of childcare, it is mothers who are likely to spend time with the family. Within the *status quo*, if married couples follow gender norms, they are most likely to be financially successful. However, if not, they may have financial difficulties and conflicts within the couple that may put their marriage at risk, or cause them to experience stress from not expressing their preferences. Mothers in Group I are unlikely to experience these difficulties. In contrast, mothers in Group II and III are more likely to experience them. For women

in Group II, this problem is revealed to others while for women in Group III, others may not know that these women have conflicts in self-identity.

This suggests that women are encouraged to delay marriage and remain childless not only because they would prefer to have time available for their own use but also to avoid the stress associated with choosing either employment or caring for a family. In order to explain mothers' conflicting preferences, the following section examines how mothers perceive employment and taking care of their own children.

3 Choosing to be a Worker or Mother

3.1 Conforming to Social Norms of Mothering

In order not to lose their reputation as mother, mothers in Japan are likely to conform to prevailing social norms. One of these is to treat the mothering of children as if it is a divine duty for biological mothers. The Ministry of Health and Welfare (1998: 84) reports that this perception of mothering has been stressed in publications such as 'Bogenbyo' (illnesses caused by mothers' lack of childcare) by Hisatoku (1979). Drawing on studies in Western OECD countries, Hisatoku argues that an increase in the number of cases of childhood asthma from 1955 has been influenced by mothers' lack of attention to children. The Ministry of Health and Welfare (1998: 84) notes that the importance of mothering for children under the age of three has been stressed for four decades, and that approximately 90 per cent of married women in Japan agreed with this view in 1992.

Table 9-3-1: The Opinion of Married Women in 1992, regarding the Statement "it is preferable for young children that mothers stay at home to care for children"

Opinion	Percentage	Numbers of respondents
A: strongly agree with the statement	47.9	4,232
B: agree with the statement	40.2	3,555
C: disagree with the statement	7.6	671
D: strongly disagree with the statement	2.5	217
E: Other	1.9	169

Source: National Institute of Population and Social Security Research (NIPSSR) (1992), Ministry of Health and Welfare (1998), p.85.

Note: samples are married women nationwide.

The Ministry stresses, however, that there is little rationale for regarding sole care by mothers for children under three years old as the most important factor in a child's development. In various studies conducted in Western OECD countries, the importance of fathers' active involvement in childcare is also stressed (Ministry of Health and Welfare 1998: 84-5). It is notable that in 1997, 33.4 per cent of selected intellectuals in Japan disagreed with the view that women should stay at home with children under the age of three.

Table 9-3-2: The Opinion of Intellectuals in 1997, regarding the Statement "mothers should specialise in child rearing until children become three years old"

Opinion	Percentage	Numbers of respondents
A: strongly agree with the statement	21.0	129
B: agree with the statement	36.3	224
C: disagree with the statement	15.8	97
D: strongly disagree with the statement	26.5	164
E: Others	0.4	3

Source: Institute of Welfare Science (1997), Ministry of Health and Welfare (1998), p.85.

Note: samples are intellectuals familiar with this issue.

There is a large disparity between married women in general and intellectuals regarding preferences of parenting. This suggests that a difference in

knowledge may affect individual preferences regarding parenting; those more familiar with the current trend of parenting in Western societies are less likely to see it as the sole responsibility of mothers.

Despite this limited shift in perception, people continue to value highly women matching the image of the 'good' wife and 'wise mother'. The excessive stress on the importance of mothering is socially created, but it is perceived as a 'natural' work arrangement at home. This pressurises mothers to specialise in childcare at the expense of their paid employment. Moreover, the decline in family-owned businesses has weakened the bargaining power of mothers who stay in the household specialising care services.

Furthermore, the perception of 'good' mother is more likely to affect mothers with higher educational qualifications than those with lower educational qualifications. The higher education the parents have, the keener mothers become to educate children at the early age at home (Brinton 1993; Ben-Ari 2002).¹ For these women, exposure to current trends of parenting in Western societies (through their exposure to education) seems to have an opposite effect. Brinton shows that parents with higher education tend to put more importance on children's education than those with lower education. Ben-Ari argues that Japanese parents are pressurised to follow standardised course of child development before children reach the school age of six years old.

¹ These mothers are called "Kyoiku Mama (Education (keen) Mother).

3.2 Conflicting Self-identities in Choosing Mothering

Empirical evidence confirms the argument that mothers may choose child rearing as a passive option. The results of a 1997 survey show that most full-time housewives/mothers experienced lack of confidence and stress in child rearing.

Table 9-3-3: Full-time Housewives/Working Mothers' Concern in 1997 regarding Child Rearing Question:

Do you agree with the following statements A-C regarding rearing children?

Unit: (%)

	Strongly agree	Agree	Disagree	Strongly disagree	No answer
A: I hardly feel confident in child rearing					
Working mothers	9.7	40.3	38.9	9.7	1.4
Full-time housewives/mothers	15.7	54.3	22.8	6.3	0.8
B: I feel stressed because I cannot do what I want to do					
Working mothers	15.3	54.2	23.6	5.6	1.4
Full-time housewives/mothers	19.7	54.3	22	3.1	0.8
C: I feel stressed without clear reasons					
Working mothers	19.4	65.3	12.5	1.4	1.4
Full-time housewives/mothers	31.5	47.2	18.1	2.4	0.8

Source: Economic Planning Agency (1995). Ministry of Health and Welfare (1998:85).

That working mothers feel stressed in relation to child rearing is hardly surprising. What is striking is the very high proportion of fulltime housewives/mothers who also report stress, either because they are not doing what they want, or for reasons they cannot identify. This suggests a significant level of conflict between their identities as mothers and their other identities.

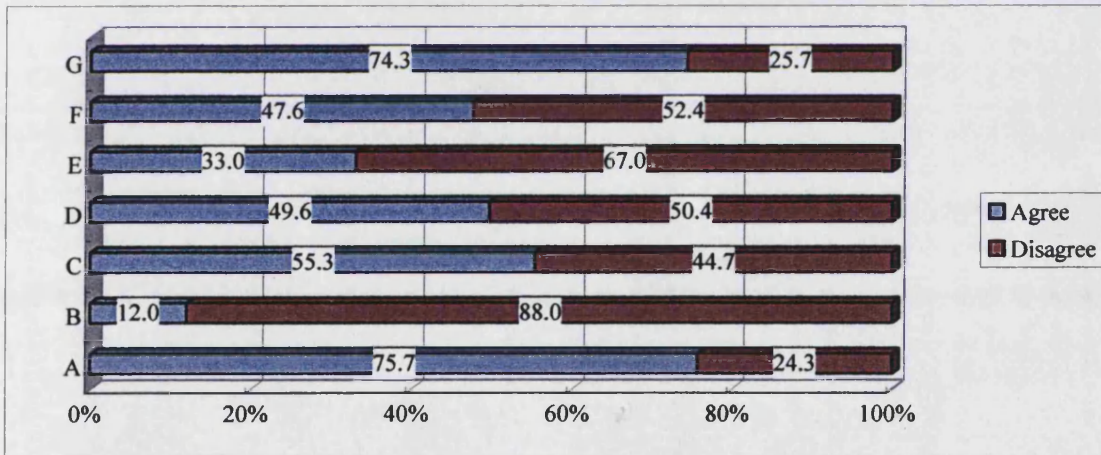
As Figure 9-3-1 indicates, the overwhelming majority of mothers with children aged 6 and 7 agree with the social norm that mother should stay at home with

children under the age of three. But an equally high proportion now wants an additional identity to that of mother.

Figure 9-3-1: The perception of mothers in 1998 regarding child

Rearing Question: Do you agree with the following statements?

- A: I find child rearing important but I want to seek an additional identity.
- B: I pressurise myself to be a 'good' mother.
- C: While I was single, I loved children.
- D: I do not identify myself as being motherly.
- E: I may not love my children sufficiently
- F: Child rearing is suitable for me.
- G: It is preferable for children that mothers take care of them until they reach the age of three.



Source: cited from Ehara (2000), p.31.

Note: samples of mothers with children aged 6 and 7

Mothers feel helpless when they experience a multiplicity of self-identities. They feel satisfied as individuals when they act upon their private preferences, but as mothers, they feel guilty about doing so as their emotions link them to the utility of children. Two mothers expressed their feelings on paid employment and childcare services in Ehara (2000) as follows.

‘For years, I wanted to have a baby and cried when I saw someone’s baby. I left my favourite teaching job to get treatment for acyesis (sterility), and waited six years for a baby. Once I had my baby, I realised that I missed my job. I noticed that I am not good at taking care of children as I am childish and not mature enough. I am determined to devote myself to my child even though I need to sacrifice my life. But, I am too exhausted. I often forget facts such as that the sky is blue, the clouds move, and that I have a shadow when I stand in a sunny place. I would like to teach students in class by speaking aloud, chat with students after class, and experience enjoyment when students understand what I teach and smile. I do not feel like I am being myself unless I do something else apart from caring for my child. Am I selfish?’ (Housewife, 31 years old, Petite Tanfan Press 1996: 148).

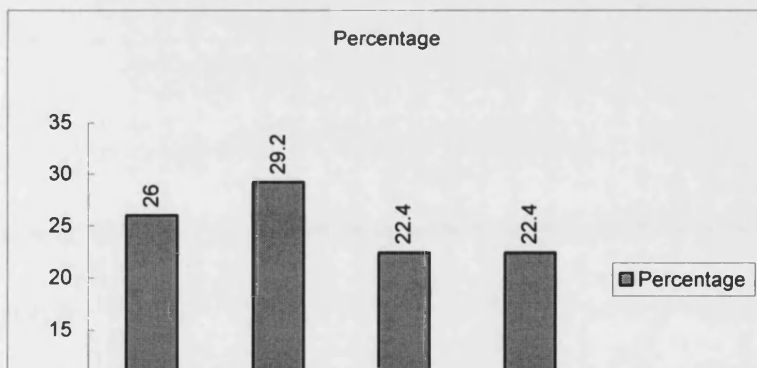
‘I thought I did not like children much, but I love my second child very much. When I think about this being my last child, I want to care for him for at least two years. However, if I leave my high-paid job for my children, I may not be able to get as good a job as this one again. When I think about my age, I feel I should not leave my job. But, I have nightmares every night, in which my youngest son runs after me and cries. I am continuing to work in paid employment although I feel torn apart and am reminded of my son’s look at me, as if he is asking for help, in the dream. When I wake up in the morning, my eyes are filled with tears. I feel so unbearably sentimental...that I feel like leaving my job...’ (Administrative clerk in a hospital, on parental leave, 27 years old, Petite Tanfan Press 1996: 155).

These cases suggest that mothers suffer from anxiety about losing paid employment while rearing children. The former case illustrates that full-time caring mothers engage in care services for children even when they feel dissatisfied with what they do. The latter case shows that although the mother is devoted to her children,

she may still choose paid employment over childcare labour at home.

Other evidence also suggests that wives are not necessarily satisfied with the present gender division of work at home: in 1993, 26.1 per cent of women said that they felt helpless; 29.2 per cent said that they felt forced to accept the situation; 22 per cent of them said that they felt dissatisfied; only 22.4 per cent of them felt satisfied (Figure 9-3-2). On the one hand, women may not be satisfied with their choice as their perceptions during their life course, as Ehara's cases show; on the other hand, they may be making their choices because they fear the difficulties they may face if they stay single. As LeDoux (1996) argues, fear can be a motivation for action.

Figure 9-3-2: Wives' satisfaction regarding gender division of work at home, in 1993



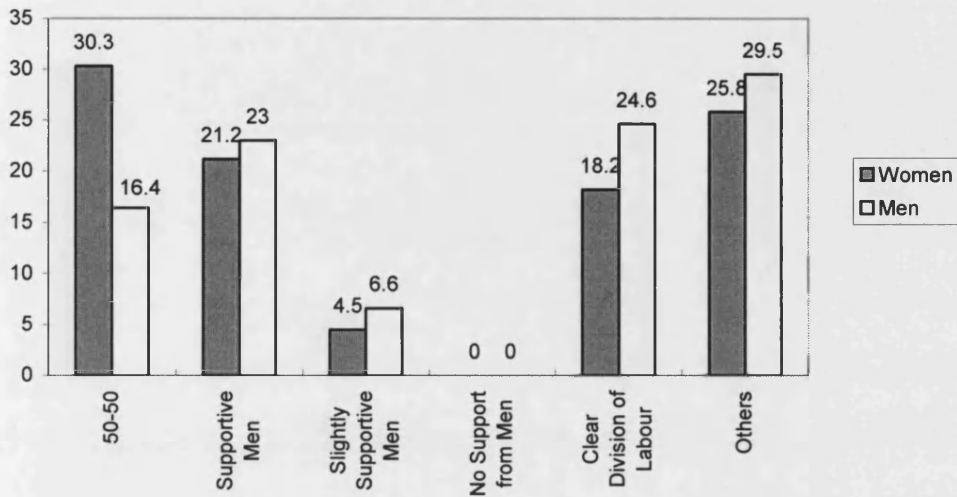
3.3 Supporters of the *Status Quo*

There remains a question: since some women clearly suffer from multiple and conflicting identities associated with the current arrangements for childcare provision, why do these arrangements persist? This may be explained by the fact that men and women change their preference regarding sharing domestic work as they change their marital status (Figure 9-3-3).

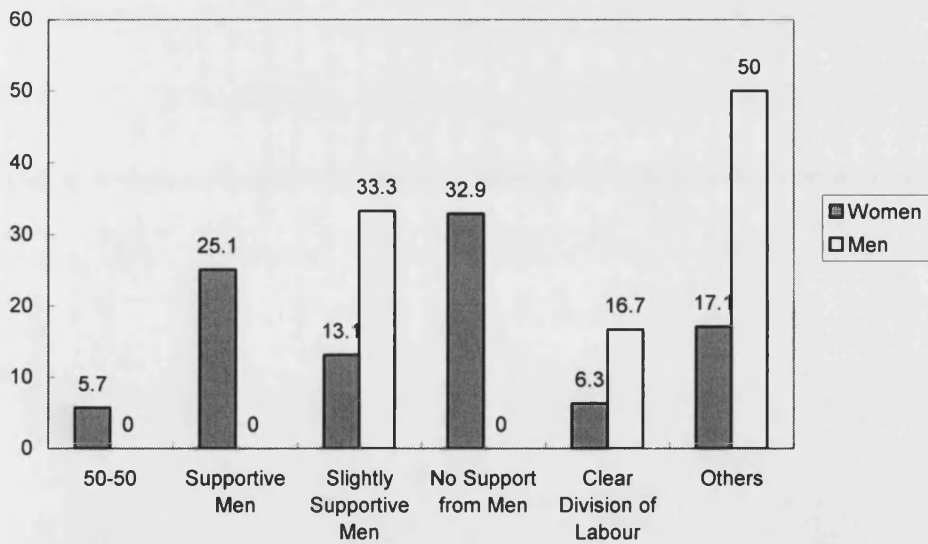
Although Figure 9-3-3 (a)-(d) has a large proportion of those who answered 'Others', it nonetheless illustrates some patterns that differ by marital status. Those categorised as 'Others' may not specify how to share domestic work with a partner in five other categories, as they were not certain about it. It was particularly noticeable that in cases where elder parents or other kin were the ones to share domestic work, parents tended to share domestic work not only with their partner but also other kin. The National Institute of Population and Social Security Research (NIPSSR) (1993) shows that in 1992, approximately 30 per cent of married couples live with an elderly parent or parents and that as many as 80 per cent of them live in neighbourhoods where they can access their parents' homes within 30 minutes. The Ministry of Health and Welfare (1998: 104) reports that in 1996, over 80 per cent of adult children in the age group 20-34 lived with their parents and accepted daily support for domestic work. This suggests that it may be difficult for the respondents in Figure 9-3-3 to specify how they share or prefer to share domestic work with their married/cohabiting partner as their parents often provide domestic services. Taking this into account, the analysis that excludes 'Others' can illustrate how married couples share or prefer to share domestic work between them, to some extent.

Figure 9-3-3: Preference regarding domestic work by marital status, in 1993

(a) Single Men and Women



(b) Married Men and Women



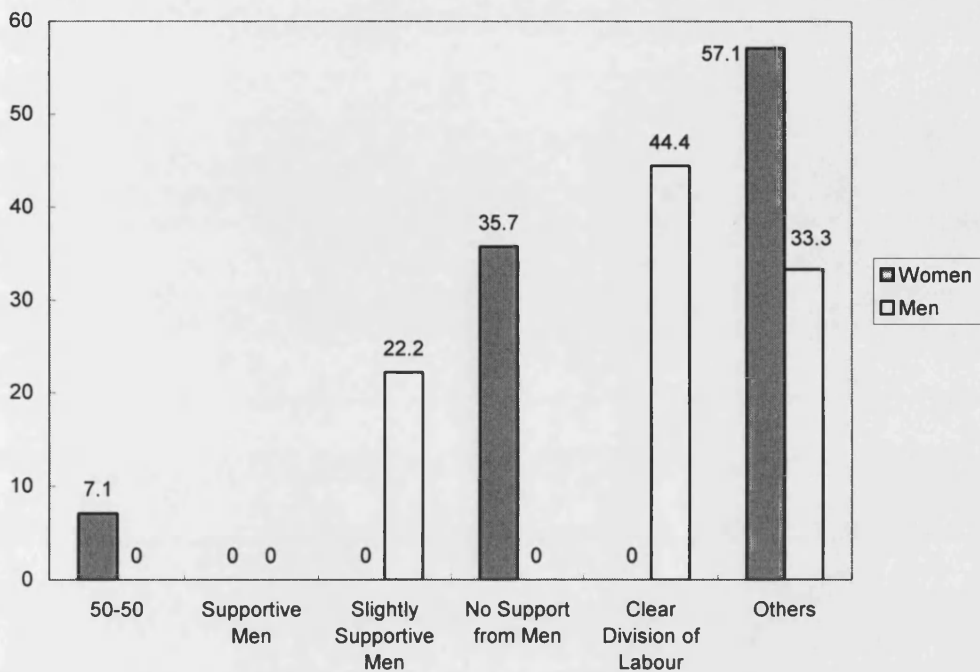
Unit: X axis = Division of Domestic Work, Y axis =Percentage

Source: National Institute of Research Advancement (1993b), p.75.

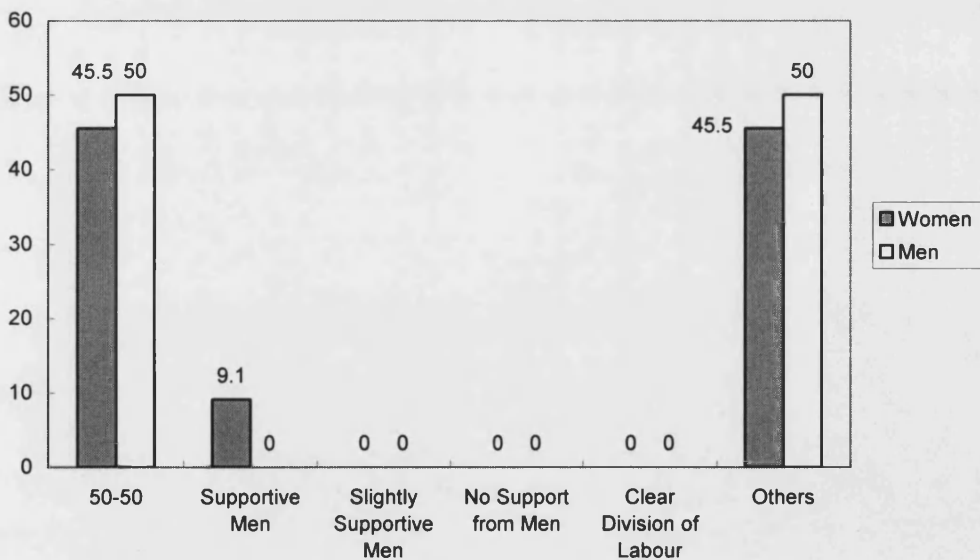
Note: Others include answers such that either of partners works when he/she is available or that I am not certain how we arrange domestic work.

Figure 9-3-3 cont. : Preference regarding Domestic Work by Marital Status (Cont.)

(c) Divorced Men and Women



(d) Cohabiting Men and Women



Unit: X axis = Division of Domestic Work, Y axis =Percentage,

Source: National Institute of Research Advancement (1993b), p.75.

Note: Others include answers such that either of partners works when he/she is available or that I am not certain how we arrange domestic work.

Marital status clearly affects whether a person prefers a traditional strict gender division of work or an equal division of work at home. Men and women who do not intend to be in the traditional marriage arrangement tend to prefer an equal share of domestic work. Divorced men and women, and those cohabiting, tend to prefer an equal division of care work in the family. In contrast, single women are more likely than their married counterparts to prefer an equal division of work, suggesting that married women may form more 'realistic' preferences as they progress through their married life (National Institute of Research Advancement (NIRA) 1993b). This evidence indicates that marital status has a more significant effect on women's preferences than men's, and is consistent with Moore's explanation of gender difference in perceptions.

Because of the lack of bodily experience as fathers, married men tend to identify themselves in the roles of worker and father as the breadwinner. However, recent empirical evidence shows that fathers feel attached to children and enjoy childcare after they experience time off work for this purpose. As already noted in Chapter Eight, in 2001, fathers who took parental leave enjoyed their experience and developed a sense of responsibility as parents (Nikkei Hourly New 2002c 28 August 22: 00 PM).

The problem is that although fathers want to take up time off work for childcare, they may not be able to do so. In 1999, 67 per cent of men agreed that it is good for families if fathers take time off work for childcare (Prime Minister's Office 1999). The Ministry of Internal Affairs (2002) reported that there is a gap between the perception and the reality regarding gender division of labour between the husband and wife. This was the first time that less than 50 per cent (47 per cent) of people preferred a clear gender division of work between the husband and wife. However,

this change in perception has not been accompanied by changes in actual gender division of work because the husband and wife in 2002 maintained the same gender division of work as in 1992 (Jiji Tsushin Sha 2002 7 September 18:00 PM). In response to this report, the central government attempted to encourage local governments and employers of private firms to provide fathers with time off work for childcare.

In spite of this effort, time off work for fathers has not prevailed even though some employees privately prefer to spend time with the family. Fathers want to spend time for their family but cannot take time off for the family (Ministry of Health and Welfare 1998: 88; Nihon Hoso Kyokai 1998: 40-1). At home, some men want to share unpaid care services with the other family members, but cannot do so due to limitations of time (Ministry of Health and Welfare 1998: 88-9). As noted in Chapter Seven, only one out of five fathers could actually reduce their work hours for childcare in 2003 (Nikkei Hourly News 2003 1 March 01:00 AM).

This is largely because fathers cannot confront the 'good' worker role and because the husband and wife do not negotiate on how to share domestic work, including childcare. Kosodate Net Beans (2000) reported that in the Fukuoka area in 2000, 91.2 per cent of fathers responded that they needed more understanding from their employers and colleagues to take time off work for childcare. However, as many as 94.2 per cent of these fathers made little effort to discuss how to share domestic work with their wives. Only 27.4 per cent of them responded that they should discuss the gender division of work with their wives (Nishi Nihon Shinbun 13 August 2001). Further survey results confirm that men tend to conform to the *status quo* after becoming fathers. Joho Box (2003) reported that 53.5 per cent of husbands feel responsible for financing the costs of children or devoting more time to paid work

when they know their wives are pregnant.

Accordingly, although fathers increasingly value their role in childcare, they continue to follow the 'good' worker role given to them by the *status quo*. They cannot change this perception unless they experience childcare by themselves. As co-habiting couples tend to share equally the work between men and women, a marriage arrangement seems to link to a clear gender division of work in the *status quo*. The above finding confirms my assumption that the gender division of work based on a marriage arrangement is a part of the *status quo*, as noted in Chapter One.

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4 Preference Falsification regarding Mothering and the Decline in Fertility

Mothers are likely to benefit from conforming to social norms, particularly through reputation. For this, they may perform preference falsification regarding mothering. However, this may make them face multiple and conflicting identities; mothers specialising in caring for their own children at the expense of employment suffer from conflicting identities.

Mothers tend to win a good reputation by preference falsification regarding mothering. Within the *status quo*, people give a good reputation to wives who take up all household responsibilities, particularly childcare, in order to make their husbands spend as much time as possible on their careers, including socialising with managers and co-workers. Working wives (women in Group II in Table 9-2-1) have two contradictory roles: selflessly devoted workers for the employer and selflessly devoted wives for the family. As it is impossible fully to fulfil both these roles, they are pressurised to choose either paid employment and single status, or having children and being a 'good' mother.

As working mothers lack the reputation of good workers, mothers have further difficulties in maintaining identities as both worker and mother. As noted in Chapter Eight, it is difficult for wives to take time off work for childcare in order to maintain both the career and the family profile. If they take time off work for childcare, they lose their reputation as a loyal worker. If they do not take care of their own children, they lose their reputation as a good mother. Thus, within the *status quo*, it is rational for women to choose either to stay childless and in paid employment (Group IV option) or to specialise in taking care of their own children (Group I and III options), because they are then less likely to lose reputational utility.

This pressure is strengthened if women are concerned with security in their financial matters and married life. The more people regard the *status quo* as unchangeable, the less likely they are to challenge it for fear of reducing financial security by losing reputational utility; this means that few women will dare to take the Group II option, which may threaten married life.

This persists as perceptions regarding marriage are carried over generations. Even the young generation perceives marriage arrangements as necessary for having children; as recently as 1997, young people still supported the idea that people should get married before having children (Inoue and Ehara 1999: 12-3). On the other hand, workers strengthened their perceptions regarding 'good' workers as lifetime employment and a progressive pay by age accompanied with overwork and *Tanshin-funin* expanded to most of the workers in the keiretsu economy in the 1970s. This acts together with the perception of marriage to continue pressuring women to choose employment or caring the family from the 1970s.

If people can expect a reward for having a good reputation, it is rational for workers and mothers to conform to social norms by preference falsification. As long as mothers save their marriages, women may practice preference falsification regarding specialising in caring for their own children. The number of women in Group III in Table 9-2-1 will increase when women seek financial security via marriage rather than their own employment.

While mothers increasingly experience discomfort from preference falsification, young women are more able to remain childless and in paid employment. Since single women have better job opportunities than mothers, women may continue choose to remain single and in employment over caring for the family. These childless women are concerned about their financial and social status, but are less likely to

experience discomfort from preference falsification, at work and at home, than men and mothers.

Empirical evidence confirms this. The social values and norms of the *status quo* stress that mothers should identify themselves as unpaid carers for the family, and a mother's sacrifice for the family is considered as a token of affection (Ehara 2000: 35; Ohinata 1988; 58). This makes 'selfless' devotion to children something done out of self-interest; the more a mother sacrifices for the family, the more affectionate she feels herself to be (Ehara 2000: 35; Folbre 2001b: 34). Ehara argues that by viewing 'childcare as a mother's duty', and by sacrificing their own needs, women develop a feeling that they are mature because they give up self-interest for the collective (social) interest. Ehara stresses that when women devote themselves to childcare work, this can boost their self-esteem.

However, even after this, full-time wives since the 1970s have suffered increasing stress, because they devote themselves to unpaid mothering for little future reward (Ehara 2000). This suggests that the *status quo* may no longer be as secure as in the past.

The central part is that while the *status quo* pressurises men and women to conform to social norms, fertility rates will continue dropping as increasing number of young women of choosing to remain childless. There is little hope of change to the status quo, then to be a working mother is the least rational choice for childless working women, because by avoiding this option, they can escape both types of preference falsification, at work and at home.

5 Conclusion and Further Implications

Fertility decline is partly due to parents' inability to afford the costs of children's education; this is in conformity with human capital theory. However, this does not fully explain the fertility decline in Japan. This chapter demonstrates that fertility decline is partly due to a malfunctioning in the *status quo*.

As long as the *status quo* remains securely in place, many women will choose the Group IV option. This is the case at present, as evidenced by the low fertility rates. In order to encourage women to choose the Group I, II and III options, and particularly the Group II and III options, both men and women need to rethink their perceptions regarding mothering. When they do not query the *status quo*, they may not even notice the levels of stress that emerge in recent surveys. And as has been clear throughout my argument, the *status quo* is so strong that even women with higher educational qualifications will follow it once they have children. This helps explain why fertility rates have declined since the 1980s, when it became more possible for single women to choose the Group IV option.

Declining fertility rates and the stagnant labour force participation of married women have the same roots in the *status quo*. It will be difficult to solve the problem of declining fertility without in the process addressing the low paid dead end career path for women in keiretsu, and the limited employment opportunities for married women with higher qualifications. Moreover, people need to pay attention to how their husbands work in the firm and provide care in the family. As men and women form a dovetailed pair in the *status quo*, it is necessary to review men's work and family life as well as women's work and family life.

Conclusion: Explaining the Japanese Experience

This thesis demonstrates that the Japanese puzzles arise not only because it is costly for firms to hire women and for couples to have children but also because men and women maintain a gender division of work at home and at work in order to conform to the *status quo* and maintain financial and social security. Because of value changes, mothers today are less likely to benefit financially from having children than mothers in the 1950s. This weakens financial interest as a motive of childcare. Mothers continue to take care of their own children because of other reasons. The pressure to conform to the *status quo* induces a sense of responsibility and fear, particularly after the 1970s. The *status quo* encourages women to feel responsible for unpaid childcare and they fear losing their reputation if they fail to satisfy these criteria. At the same time, it encourages men to feel responsible for earning a living for the family and to fear losing their job by failing to conform to co-workers. When the feelings induced by these pressures interact with altruism and an intrinsic joy in taking care of their own children, mothers specialising in childcare reveal levels of dissatisfaction with what they are doing. In anticipation of this, fewer women have children than before the 1970s, and fertility rates continue to decline.

This thesis also demonstrates that the *status quo* depends on a considerable amount of what Kuran terms preference falsification. In order to satisfy the *status quo*, men, particularly men in keiretsu, are likely to accept overwork and *Tanshin-funin* even when survey evidence suggests they might prefer spending time with the family.

The resulting confirmation of ‘male’ work patterns makes it particularly

difficult for women to access elite career paths. Employers and colleagues expect female employees to start a family, and take periods of maternity and parental leave that will disrupt their employment. Following this expectation, they find it appropriate to assign women to assistant career paths, and/or to pressurise employees to leave their job after starting a family. Employers and colleagues are likely to view married women in employment as challenging the *status quo*. They find it appropriate to exclude married women from elite career paths, even when the women in question have served for longer than 30 years.

This helps explain why married women are paid so much less than their male counterparts even when they have served the same length of time in employment. It suggests that married women are discouraged from staying in the labour force. Most female elite university graduates do not satisfy the conditions of the *status quo*, as employers believe that maleness and selfless devotion to the employer are firmly linked. As a result, most women are excluded from elite career paths from the beginning of employment and the average woman is paid less than a male counterpart. These gender inequalities at work are likely to persist as long as people perceive the *status quo* as functioning and unchanging.

Furthermore, because women as employees are less likely to gain from educational qualifications than men, their purpose in gaining an education differ from that of men. As noted in Chapter Six, women educated in elite universities do not necessarily find a job in keiretsu. Women then pursue higher education not only for employment but also for marriage purposes. However, it is important to note that they make choices regarding education within the framework of the *status quo*, which encourages employers to hire male elite university graduates and parents to

invest differently in a daughter and son's education. Women's educational qualifications work differently from men's not simply because women aim lower than men but because women can expect smaller returns from employment.

In order to illustrate the details of the *status quo* affecting people's choices, I have argued here about its role in the decline in fertility rates. The decline in fertility rates in Japan between 1975 and 2000 occurred because women resisted their subordinate role within the household, but did not more directly challenge the *status quo* which they believed to be unchangeable. The *status quo* of the family in Japan has forced society to hold on to subordinating attitudes towards women, which, in turn, has facilitated patterns of male socialisation. Traditional marriage arrangements pressure wives into performing the role of the subordinate wife in which women do not share tasks and time for unpaid care work with their husband, and society approves those who follow a traditional gender division of work in the family.

Furthermore, women, as workers, are not adequately paid or supported to rear children whilst in full or part-time employment. The subordination and inequality is, however, partially masked because mothers are encouraged to have interdependent preferences towards those cared for (Folbre and Weisskopf 1998; Folbre 2001b). Due to such interdependent personal preferences, mothers choose to act as carers in the family rather than seek employment in circumstances where quality childcare is not available.

A central part of my analysis is that current developments in Japan should be understood in terms of preference moulding by men and women, who form their preferences based on a strict gender division of work coupled with the prevalence of

a system based on seniority wages and lifetime employment. Maleness is still an important part of the *status quo* in Japan and men seek to show the possession of this attribute by spending time with male peers and supervisors - even when their private preference on time use does not agree with public opinion. The fear of losing employment means they are more likely to shape these preferences to fit the *status quo*: this means that people 'choose' a *status quo* opinion even it is at odds with some of their other preferences. This general process of preference falsification is particularly marked.

Women are also deterred from acting according to preferences that go against the *status quo*; for if they act against the *status quo*, this may ruin their reputation. Male collective action in the workplace yields a larger husband's income for the family, even if this does not necessarily translate into an increase in financial support for women and children at home (Hashimoto 1996). Confronting public opinion run the risks of sanctions in both paid employment and marriage arrangements. When women want to have children, this sanction is crucial; for example, the costs of divorce are high for the wife since she cannot expect her husband to pay the full costs of child rearing after divorce (Ministry of Health and Welfare 1998: 78-81; Inoue and Ehara 20-21).

If men and women fear losing financial and social security, they are more likely to act upon preferences that fit to social norms. There may be a big disparity between the revealed preferences and inner preferences regarding the gender division of work in Japanese society; this is what Kuran calls preference falsification, and it can be seen in perception of overwork, *Tanshin-funin* and mothering. People shape their preferences to the *status quo* in order to get the best out of situations

where they perceive the *status quo* as given and constant over time, and as Kuran argues, this creates a vicious circle. If people perceive the *status quo* as normal, and also fear the losses that may come if they challenge it, they may not express preferences that conflict with the *status quo*, even when many share these preferences. As a result, the *status quo* may persist even when many, or even the majority, are against it. In my reading, this now applies to the case of Japanese men and women.

When women perceive the *status quo* as given and constant, 'rational' women will choose to stay single in paid employment, to get married and stay in paid employment without children, or to have fewer children so that they can easily re-enter paid employment. The result in Japan has been persistent gender inequalities at work and a rapid decline in fertility rates during the period 1975-2000. Rapid industrial and economic development has positively affected men's social position since the 1970s. In contrast with men in general, societal changes have negatively influenced married women, particularly mothers. Single women now may enjoy paid employment until they reach the average age of marriage, but after that, they are under strong pressure to choose either paid employment or having children. Women are caught in a dilemma of having to choose between accepting the role of a 'female' worker marginalized in a male-dominated environment, or being a selfless, caring mother.

Amongst women, it is mothers with higher educational qualifications, rather than those with lower educational qualifications, who are most affected by outside pressures when they work as employees. This pressure comes from employers and male peers at work, parents-in-law, and peer working mothers, all of

whom influence their preferences regarding paid employment and children. At work, women with higher educational qualifications are under particular pressure to conform to male socialisation. At home, they are more likely to have to assume the major for childcare when they work outside the home, because they are more likely to live away from their own parents.

In the Introduction, I suggested that the decline in fertility rates reflects of a process of preference moulding in society, whereby men identify themselves primarily as members of a social organisation, and women identify themselves as care providers for children. What is questionable here is how long society can sustain the current *status quo*. Certainly, after the recession in the 1990s, associations of employers in large firms started to recognise the need to change the seniority wage and lifetime employment policies both key ingredients in the *status quo*.

Changes in the economy may then induce a small change. From the late 1990s to early 2000s, many firms reviewed their unconditional provision of lifetime employment and a progressive wage by age for most men; in 2002, as many as 55.9 per cent of firms introduced a new payment not based on a progressive pay by age for most men. However, as employers in keiretsu still prefer to hire a disproportionate number of male elite university graduates for elite career paths, this change alone is unlikely to change the *status quo* towards favouring women.

In addressing this problem, it is not enough to encourage women to stay at home and engage in unpaid child rearing, or to work as many hours as men without proper social provision of childcare: policy recommendations made by mainstream economists such as Machiko Osawa (1993) and Yashiro (2001). As this thesis has

emphasised, mainstream neoclassical economic theory places preference formation outside its frame of reference. Consequently, its theory pays too little attention to the emotions that play such a significant part in forming preferences regarding care service labour.

A re-evaluation of care services as a whole is necessary and should be enforced so as to ensure that women are fairly rewarded; this process needs to include not only issues of time off work for children but also matters involving educational institutions and the courts. Society needs to reform the educational system (including the provision of scholarships for both sexes so as to reduce the effects of parental preferences regarding the education of their sons and daughters); the courts need to revise the interpretation of social values and norms (so as to reduce the conservative impact of the *status quo*); women and men need to feel they can have children even when they are not legally married. Taking these additional aspects into account, this thesis suggests that the provision of paid time off work for children for both parents is one of the crucial mechanisms for addressing gender inequality at work and declining fertility rates. For this purpose, society needs to re-value care work as a whole, revise seniority wages and lifetime employment for men, and introduce gender-friendly social support by means of social security and taxation. It will also be necessary for courts and the government to intervene more actively in employment practices within keiretsu in order to prevent employers and colleagues from sanctioning – formally and informally - employees resist demands for overwork and *Tanshin-funin*.

Importantly, mothers today need to be rewarded as much as mothers before the 1970s; if so, it is more likely they will invest time in having children. If the

government provides a further tax reduction and an increase in pension for working mothers when children are counted as dependants of mothers instead of fathers, this may increase a potential mother's financial incentive to have children while remaining in employment.

Gender inequality at work and the decline in fertility rates are linked phenomena, and should be approached together, not separately. In current discussions, there is some nostalgia for the gender division in the pre-war era, as people seek to recover the moral code of Bushido from the pre-war era. This solution, however, is unlikely to resolve the problems of gender inequality at work and declining fertility. A closer look is needed at the motives encouraging parents and others to provide quality childcare services, without either romanticising mothering or glorifying selfless devotion to the employer. In this way, a better alternative to the *status quo* may be identified.

Appendix

Chapter Nine

(A)

The data in the reports mainly cover the following items:

- 1) the total number of employees (men and women)
- 2) the type of industry
- 3) the products and services that the firm supplies
- 4) the average age of men and women
- 5) the average duration of service of men and women
- 6) the number who took maternity leave in the year 1994-5
- 7) the treatment of childcare leave (length and pay),
- 8) the number of women in managerial positions,
- 9) the highest position of women in 1994,
- 10) the names of schools from which female workers graduated,
- 11) the number of new employees in 1994,
- 12) the average monthly pay of men and women (for 394 firms only),
- 13) the starting year of business,
- 14) the names of directors
- 15) The names of the schools from which the directors graduated.
- 16) The total number of married women

(B)

Number of firms

1) Agriculture	5
2) Construction	34
3) Manufacturing	274
4) Real Estate	9
5) Transportation and Communication	19
6) Utilities	8
2) Retailing and Wholesaling	110
3) Services	36
9) Finance and Insurance	121

(C)

Five firms are in manufacturing and one in finance and insurance. The 5 firms in manufacturing include 3 in electronics, 1 in food and 1 in medicine. The only firm in the finance group is a trust bank. In the group with 24-months' leave, the 9 firms in manufacturing form the largest proportions; 5 firms are in finance and insurance, 2 in services, and 1 in transportation and communication. Four firms are in electronics, 2 in chemicals, 1 in gum products, and 1 in precision machine manufacturing. Four out of 5 in the finance group are security firms while 1 is a bank.

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