

Aiming to increase women's leadership in corporate Japan

Author: Yasuo Takao, Curtin University

In 2003 Japan set a goal of achieving 30 per cent representation of women in leadership positions in all areas of society by 2020. This target, known as '2020-30', was set by the administration of former prime minister Junichiro Koizumi and was pledged internationally by former prime minister Shinzo Abe in 2014.

According to [Cabinet Office data](#), the percentage of female executives in Japan's prime market-listed companies was 10.7 per cent in 2020 and remained at just 11.4 per cent as of July 2022. This was far lower than France (45.2 per cent), the United Kingdom (37.2 per cent) and the United States (31.3 per cent). There is still a long way to go for Japan to achieve its goal of 30 per cent of women in leadership positions.

In April 2023, Prime Minister Fumio Kishida instructed relevant ministers to consider specific measures for fostering a more inclusive and diverse corporate landscape. On 13 June, the government issued the [Key Policy for Promoting Women's Participation and Gender Equality](#), which sets the goal of 'achieving a female executive ratio of 30 per cent or more in Japan's prime market-listed companies by 2030'.

The *Key Policy* points out that the appointment of women as executives in Japanese major firms has continued to 'significantly lag behind internationally', stressing that 'increasing the number of female board members is an urgent issue for the future growth of the Japanese economy'.

The gender disparity in Japan extends beyond the percentage of executives who are female. Many women experience periods of leave in their late twenties and thirties due to maternity or childcare leave. During this time, their careers temporarily come to a halt. As a result, a disparity in career progression arises between them and male employees who continue working steadily, making it difficult for them to reach managerial positions. To overcome these barriers, some Japanese companies are considering implementing mechanisms to improve work-life balance.

The goal number of female executives outlined in the *Key Policy* only targets major companies listed on the Tokyo Stock Exchange's prime market, which employ just 4 per cent of Japan's total workforce. Most working women in Japan face challenges in balancing work and family and are paid less than their male counterparts. In acknowledgement of the barriers facing women in the workforce, the *Key Policy* proposes actions including the promotion of female entrepreneurs, flexible working arrangements and the closing of the wage gap. But the new goals are voluntary and without penalties.

The Japan Business Federation (*Keidanren*) now acknowledges that narrowing the gender gap is economically rational. Institutional investors are increasingly taking a stricter approach toward listed companies, with actions such as opposing director appointment proposals with no female executives. Corporate governance codes also call for diversification in board composition and the [appointment of female executives](#).

Japan's chronic labour shortages and the recognition by the *Keidanren* of the economic rationality of narrowing the gender gap mean that arguments that focus on the so-called 'value of family' and 'returning women to the home' favoured by conservative politicians are increasingly unviable. Even former prime minister Yoshiro Mori, known for his conservatism and lack of enthusiasm for women's social advancement, shows a strong interest in 'supporting both work and child-rearing'.

But his support for such measures is motivated less by promoting women's social advancement and more by an interest in ensuring a future-ready workforce. Even conservative members of the Liberal Democratic Party (LDP) who emphasise 'the value of family' find themselves in a situation where they must accept or even promote women's employment.

Many LDP lawmakers have agreed to adapt to rapid social transformations, but they have not altered their beliefs about family values. These unwritten norms and values have had a lasting impact. According to the [Cabinet Office's 2022 survey](#), 33.5 per cent of the adult population still agreed with the statement 'the husband should work outside while the wife should take care of the household'.

While the *Key Policy* provides policy objectives and general policy directions, the question that remains to be answered is how effective these initiatives will be. On 28 August 2015, temporary legislation was enacted for a period of 10 years. The Law on Promotion of Women's Active Participation in the Workplace obligates the national government, local governments and certain large companies to establish basic policies and action plans for promoting women's participation and to disclose related information.

Promoting the new goals created in the *Key Policy* will involve a voluntary commitment wherein individual companies assume greater responsibility for their own regulatory compliance. The Kishida cabinet's current initiatives for [women's empowerment](#) have been criticised for their lack of enforcement power and effectiveness.

Prime Minister Kishida has emphasised his desire to 'realise a sustainable society where everyone feels fulfilment and diversity is respected'. An essential piece of infrastructure necessary to achieve this goal is a flexible environment where capable women can actively contribute. Advancing gender equality and ensuring diversity in decision-making will lead to the realisation of a society where abilities can be demonstrated regardless of gender.

Japan's corporatist governing bodies continue to make gender-related adaptations to achieve economic transformation, but [women's advancement](#) is a secondary concern at best. The LDP's conservative beliefs, driven primarily by economic necessity, are likely to slow the pace of progress towards gender equality. Japan's true commitment to resolving gender disparities deserves to be questioned.

Yasuo Takao is Adjunct Senior Research Fellow at the School of Media, Creative Arts and Social Inquiry at Curtin University.