Disclosure of Gender Pay Gap in Japan

26th October 2022
Ministry of Health, Labour and Welfare
Japan
Contents

1. Gender Pay Gap: Japan & Major European Countries
2. Policy to Tackle Gender Pay Gap in Japan
3. Factor Analysis of Gender Pay Gap
6. Political Process of New Regulations
7. Toward Better Future of Labour Market
Gender Pay Gap: Japan & Major European Countries

Source: OECD Stat
Policy to Tackle Gender Pay Gap in Japan

**Phase 1: 1947**
- Ministry of Labour / Labour Standards Law (1947)
- Prohibition of Pay Gap based on Sexuality
  => Vanishment of Apparent gender pay discrimination

**Phase 2: 1985**
- Prohibition of Sexual Discrimination in all aspects* of employment
  (*recruitment, employment, placement, internal-training, promotion, and retirement)
  => continuous decrease in gender pay gap

**Phase 3: around 2001**
- Movement of Positive Action promotion, led by business organizations (around 2001-)
- Act on the Promotion of Female Participation and Career Advancement in the Workplace (2015)
- Gender Pay Gap Disclosure in the framework of WPA Act (2022)
## Factor Analysis of Gender Pay Gap

<Analysis based on 2021 Wage Survey>

<table>
<thead>
<tr>
<th></th>
<th>Proportion of Female Workers’ Payment to Male Workers Payment (100)</th>
<th>Possible Decrease (B−A)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original (A)</td>
<td>adjusted (B)</td>
</tr>
<tr>
<td><strong>Position</strong></td>
<td>75.2</td>
<td>85.0</td>
</tr>
<tr>
<td><strong>Length of Service</strong></td>
<td></td>
<td>79.3</td>
</tr>
<tr>
<td><strong>Academic Career</strong></td>
<td></td>
<td>77.1</td>
</tr>
<tr>
<td><strong>Working hours</strong></td>
<td></td>
<td>77.5</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td>75.9</td>
</tr>
<tr>
<td><strong>Enterprise size</strong></td>
<td></td>
<td>75.2</td>
</tr>
<tr>
<td><strong>Industry</strong></td>
<td></td>
<td>73.0</td>
</tr>
</tbody>
</table>

Note. The analysis is based on the Blinder-Oaxaca decomposition method. “Original (A)” is the proportion of female workers’ payment to male workers’ payment, based on 2021 Wage Survey. “Adjusted (B)” is the proportion of female workers’ payment to male workers’ payment, on the assumption that the number/proportion of female workers is the same as that of male workers.
**Workplace Positive Action Act: Tackling Factors of Gender Pay Gap**

### Plan (once per several years)

**Compulsory Items**

1. Proportion of Women among Newly Employed
2. Proportion of Women in Management Position
3. Difference in Length of Work between Men & Women
4. Working hours including overtime

**Selectable Items**

Various Sub-items related to Four Fundamental Items shown above.

### Disclose (annually)

#### Selectable Items

- Four Fundamental Items
- Various Sub-items

#### Compulsory (New!)

- Gender Pay Gap

### Check

**Plan to improve Women’s situation (Once per several years)**

Target-Setting (e.g. - More Employment of Women - More Retention of Women - More Training & Promotion of Women - Less Overtime Work for both Men & Women

### Action

Improvement of Planning

### Do

Implement the Plan

- Gender Pay Gap
New Regulations: Disclosure of Gender Pay Gap

### <compulsory disclosure>

<table>
<thead>
<tr>
<th></th>
<th>Gender Pay Gap (the proportion of female workers’ payment to male workers’ payment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Workers</td>
<td>XX.X%</td>
</tr>
<tr>
<td>Regular Workers</td>
<td>YY.Y%</td>
</tr>
<tr>
<td>(Full-time &amp; Permanent)</td>
<td></td>
</tr>
<tr>
<td>Part-time or Fixed-term Workers</td>
<td>ZZ.Z%</td>
</tr>
</tbody>
</table>

Period: 2022 Business Year (From April 2022 to March 2023)

### <voluntary disclosure>

Additional information concerning gender pay gap is welcomed.

- e.g. gender pay gap among the same position / working period
- chronicle change of gender pay gap
- special background about temporary gender pay gap increase

Payment = basic salary, + bonus + allowance for overtime-work + various benefits
Political Process of New Regulations

1. PM’s Initiative (24\textsuperscript{th} Jan 2022)

2. Tripartite Consensus at the Highest Level Policy Forum (20\textsuperscript{th} May 2022)

3. Tripartite Discussion about the detail of Regulations (17\textsuperscript{th} & 24\textsuperscript{th} June 2022)

4. Implementation of revised regulations (July 8\textsuperscript{th})
Toward Better Future of Labour Market

Disclosure of Gender Pay Gap in the Framework of WPA Act shall:

1) promote gender pay gap decrease
   - more steadily
   - with improvement of employment rate of women

2) promote labour market transparency for
   (especially female) jobseekers.