

Inoguchi still fighting for equality

Former minister hopeful women are on verge of breakthrough

By WILLIAM PESEK

Bloomberg

A group of conservatively dressed businesswomen chatted in a Tokyo hotel lobby recently, awaiting the start of a conference planned to raise the profile of women in corporate Japan.

Things took a surreal turn as a parade of tall, scantily clad beauty queens suddenly made their way past toward their own gathering: the Miss International pageant. The Prince Hotel's planners seemed to miss the irony of placing the two events — one celebrating women's brains, the other their beauty — side by side.

It was an apt metaphor for what many women experience in this nation of 127 million. The desire to be taken seriously collides with a business culture ruled by men in gray suits.

Kuniko Inoguchi is one of those rolling up her sleeves to change things and remove one of the most enduring obstacles to faster growth: The failure to fully use half of the labor force.

"Japan may be the world's second-biggest economy, but it ranks 42nd in the world when it comes to women's participation in political and economic life," Inoguchi said at the Oct. 2 Symposium on Women in Financial Services sponsored by the American Chamber of Commerce in Japan. "That has to change and the good news is I think we're about to see that."

It's an issue Inoguchi knows something about. The 55-year-old served as minister for gender affairs in 2005 and 2006. That was around the time then Prime Minister Junichiro Koizumi realized something many economists had long argued — that empowering women in the workforce would boost gross domestic product and productivity.

Inoguchi was part of Koizu-

mi's push to get more women involved in politics. She put aside her work on international disarmament issues in 2005 to run for the House of Representatives, where she still holds a seat.

Koizumi's drive to empower women was just getting started when he stepped down and Shinzo Abe took over in September 2006. During Abe's yearlong stint, however, the issue lost momentum.

The good news, Inoguchi said, is that Japan has a new and more engaged prime minister, Yasuo Fukuda.

"I believe he shares Koizumi's conviction about women," Inoguchi said in an interview. "It's an issue he understands."

Things are improving — slowly — for Japanese women. In 1985, they held less than 7 percent of managerial positions in companies and government, according to the U.N. International Labor Organization. By 2005, that had risen to 10 percent, compared with 43 percent in the United States.

The ceiling for women is no longer a concrete one, but it still keeps many well-educated, experienced and ambitious women out of corporate boardrooms.

Underutilizing such an asset means the quality of the labor pool is lower than it could be. The persistence of Japan's seniority-based system and what Inoguchi calls its "paternalistic nature" mean that for every woman who rises into management, there are scores with little prospect of doing so.

In an April 3 report, Kevin Daly, a London-based economist at Goldman Sachs Group Inc., said closing the gap between male and female employment would boost Japan's GDP 16 percent over time and help the nation address the twin problems of population aging and shoring up public pension programs.



KUNIKO INOGUCHI, photographed in 2005 while minister in charge of population issues and gender equality, is hopeful that women in Japan are on the verge of taking a more prominent role in society. SATOKO KAWASAKI PHOTO

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yet for too many women, motherhood is a career-ending choice.

As women delay having families, the birthrate is dwindling. Until more mothers can have careers, too, things won't change, leaving Japan with a long-term labor shortage.

Combine this with a rapidly aging workforce and the population will surely continue shrinking.

The key, Inoguchi said, is broadening Koizumi's gender-equality policies. Fukuda could do that by reviewing the workforce's notoriously long and inflexible work hours, strengthening career-development education and tweaking the tax system to encourage the hiring of women.

Inoguchi also worries that Japanese women lack role models.

Forbes magazine's 2007 ranking of the world's 100 most powerful women doesn't list a single Japanese. It counts Katie Couric of CBS and Christie Hefner of Playboy fame, but no pioneering women here.

Many career women watched as a "role model" named Riyo Mori emerged over the last year. Her claim to fame was winning the Miss Universe contest. Yet the economy might benefit far more from young women striving to become Japan's answer to Angela Merkel, Wu Yi, Hillary Clinton or Anglo-American PLC Chief Executive Officer Cynthia Carroll.

Great talent exists among Japan's female masses. They just need the chance to display it, Inoguchi said.

"The political system can be changed, and sometimes even overnight, but a social culture takes years to change," she explained. "It's just bad economics and bad politics for such a system to remain. We're working to change that."

Japan's dismal demographics may have more to do with sexism than is often appreci-

ated. Politicians have worked in recent years to increase access to affordable child care,