World Assembly for Women: WAW!2022 Concept Note

(Reference) Current Situation and Challenges Concerning Gender Wage Gap

Even now, all countries face the challenge of women's wages being lower than men's. Among the OECD (Organization for Economic Cooperation and Development) member countries, Belgium has the lowest gender wage gap of 3.8%. The average gender wage gap among OECD countries is 11.7%, and that of Japan's is 22.1%, ranked lowest among the G7 (seven major countries) (Note1). In addition, women are often employed in low-paid, precarious, and informal jobs, which is an international characteristic. In this context, companies are required to undertake activities that respect human rights, including women's rights, in line with the growing interest in the relationship between business and human rights.

In Japan, among full-time workers, the annual income of female college graduates is about the same level as that of male high school graduates. In addition, 60% of married women workers earn less than 2 million yen, and about half of single unmarried women workers earn less than 3 million yen (Note2). In recent years, divorces have accounted for one-third of all marriages in Japan. Married women who have been dependent on their spouse's income are suddenly faced with the challenge of financial independence as a result of divorce, and this is one of the factors leading to poverty among elderly women due to low pensions and other factors. The wage gap between urban and rural areas for both men and women and the economic independence of young people are also serious challenges. In every country, it is essential to narrow the gender wage gap in order for women to be economically independent throughout their lives.

The international community has confirmed the importance of efforts to reduce the gender wage gap. For example, Goal 8 of the Sustainable Development Goals (SDGs) specifies a target of, by 2030, achieving full and productive
employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. In addition, at the G20 Summit in 2021, it was announced that the G20 would focus on closing the gender pay gap and rapidly enhancing the quality and quantity of employment for women.

In June 2022, Japan formulated the "The Basic Policy on Gender Equality and Empowerment of Women 2022," in which positions addressing the gender wage gap are one of the pillars of women's economic independence. The policy also includes measures to address both internal wage disparities (vertical segregation) caused by the different duties and responsibilities of men and women within the same organization and inter-occupational disparities (horizontal segregation) caused by the bias of women's employment toward occupations with relatively lower salary levels.

In addition, following France, the United Kingdom, Germany, and other countries that introduced systems from 2017 to 2018 for reporting and publicizing gender wage disparities (Note3), Japan has also made it mandatory for companies that employ more than 300 full-time workers to publicize the ratio of women's wages to men's wages in accordance with the Act on the Promotion of Female Participation and Career Advancement in the Workplace. In the future, it is planned to require companies to disclose the same information in their annual securities reports. With regard to disparities among occupations, support will be provided for the acquisition of digital skills directly related to employment in order to support women's employment in the digital industry, which is a growing industry, as well as to raise wages and improve compensation in the nursing, caregiving, and childcare fields, where the percentage of female workers is high, in order to support.

There is also a movement to use the signing of WEPs, which set forth the principles necessary for a workplace environment where women can play an active role, to rank companies in each country and as a reference index for institutional investors (Note4). Under these circumstances, the elements of gender equality and women's empowerment in corporate information disclosure are becoming more important.

(Note1) OECD Data, “Gender wage gap”
すべての女性が輝く社会づくり本部・男女共同参画推進本部, “女性版骨太の方針 2022”
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