

Female Employment and the Dutch Model

Would Holland's part-time employment framework be effective in promoting employment among Japanese women? The interviewees in this issue of *My Vision* indicate that the model is one to which Japan should give consideration, given its potential for the realization of a balance between life and work and its suitability to today's rapidly changing business environment. They point out that the introduction of the model in Japan would require us to address the country's culture of long working hours and to change awareness in the male-centered workplace, and that this should be done while making the choice of both workplace and working hours more flexible.

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Would Holland's Part-time Employment Model be Effective in Japan?

In Holland, part-time employment and full-time employment receive equal treatment, and employees have the right to request their working hours to be reduced or extended. The increased freedom of choice in terms of working hours offered by this model is regarded as having contributed to increasing the rate of employment among women in Holland.

What is the nature of Holland's part-time employment model? Would the active promotion of part-time employment in Japan through the introduction of equal treatment encourage greater social participation among Japanese women? What would need to be done in order to introduce the Dutch model to Japan?

In this issue of *MyVision*, we asked economists, a political scientist, the CEO of the Japanese subsidiary of a Dutch corporation, and the Vice President (Global Workforce Policy) of a U.S. Corporation for their opinions regarding the status of employment in Holland and the diversification of working styles.

Interviewer: Nao Toyoda, NIRA Senior Researcher

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The Dutch approach offers a useful example

Eiko Kenjoh

Professor, Faculty of Economics, Asia University

The Dutch approach to the use of human resources aims to realize a participatory society with a high level of freedom of choice in terms of working hours so that the majority of people are able to work in the style that they desire. In fact, individuals are able to adjust their working hours in accordance with the design of their lives, for example in raising children or seeking to develop their skills, and can continue to work over the long term while balancing work and life.

In Holland, there is considerable opportunity for employees to work part time in various occupations and industries. Working three or four days per week presents few disadvantages with regard to career development. For example, more than 20% of management positions are already part-time, a figure that significantly exceeds the EU average. The flexibility in terms of workplace is also encouraged via the promotion of telework in Holland.

The flexibility and diversity in workplace offer a number of benefits. Employee satisfaction increases and the fact that workers stay in the labor market over the long term means that they can more effectively recoup their investment in education and training. Companies are able to secure human resources more easily and benefit from the increased productivity of their employees. Household budgets also increase when flexible work arrangements allow both partners to work, which stimulates economic growth. Improving the opportunity to work part time has dramatically increased the female employment rate in Holland. Together with the more recent growth in part-time employment among men, satisfaction levels throughout Dutch society are noticeably high.

The Dutch approach, which makes it possible for workers to choose their own working hours, is still new to Japan. People's thinking about working styles and the needs of society are, however, significantly changing for a variety of reasons. Hence, one can expect a growing demand in Japan for the creation of a society in which both men and women are able to use their abilities and participate actively while balancing work and life. ■

Professor Kenjoh researches into Japanese employment practices and labor market and social policies in an international comparison. She has received a Ph.D. in economics from the University of Amsterdam. Her fields of specialization are labor economics and social security studies.

Part-time employment would enable us to realize diverse working styles

Naohiro Yashiro

Visiting Professor, International Christian University

The Dutch part-time employment model provides considerable food for thought for Japan. The facts that underlie the Dutch model are that in the west the scope of work duties is clear, and the principle of equal pay for equal work is put into practice. In Japan, the scope of the individual's work duties is unclear and the division of roles between employees is also vague, with the result that it is unclear which employees produce which outcomes taking into consideration the fact that low labor productivity is supplemented by long working hours and the frequency of job transfers, we can see that Japan's is a working style without adequate limits. This system was successful during Japan's period of high economic growth, but contradictions have appeared since we entered a period of low growth. In an information society characterized by severe changes in the business environment, it is

essential to make active use of human resources, both male and female, from outside companies rather than relying exclusively on the model of maturing skills within the company.

It is generally accepted in Japan that the guarantee of long-term employment and seniority-based advancement and pay increases, representing a type of “membership” system, is the only desirable form of employment; it would be essential to change this way of thinking in order to introduce work-sharing based on the Dutch part-time employment model to Japan. An increase in the number of “job-based” rather than “membership-based” regular employees with clear job roles, and greater ease in making use of human resources from external labor markets, would simplify the clear evaluation of outcomes, thus smoothing the introduction of a new system of working hours which would not disadvantage women, in which remuneration was based on outcomes rather than working hours.

If we succeeded in introducing a system of part-time employment after creating the groundwork for diverse working styles in this way, it would not only promote the employment of women, but also of the elderly. In addition, both men and women would be able to have diverse second jobs, and this would have a synergistic effect in improving job skills. This would be a first step towards the realization of personnel systems based on dynamic skills. ■

Professor Yashiro has proposed regulatory reforms in a diverse range of areas, including the labor market. With double-income households as a precondition, he presents the concept of working styles which make it possible for diverse actors to compete on an equal footing.

Offering equal treatment to part-time workers will change society

Marcel Wiggers

Chairman and CEO, Randstad K.K.

Part-time employment on a permanent contract basis has contributed significantly to the high female participation rate in the labor force in the Netherlands. Since the 1990s laws have been introduced to enable workers to continue their career development even on a part-time basis, and many women in Holland work 20 to 32 hours a week as part-time employees. Part-time employment is also common among the male labor force. Almost 40% of Dutch workers are employed on a part-time basis. In Japan, part-time workers are generally employed as fixed-term non-regular contract workers. Employment conditions for these workers are usually inferior to those for regular full-time workers. In Holland, by contrast, we have an equal pay policy. Under this policy, the employment conditions for part-time and full-time employment are equal in terms of stability of employment and social security. Non-fixed term employment with flexible working hours is widely accepted. Because salary is based on quality of output as specified in the job description, a wide variety of positions can be occupied by part-time workers, including management positions. Consequently, many women actually hold management posts with key responsibilities in Holland.

The traditional division of roles between men and women that one finds in Japan was common in the Netherlands until the 1970s. In the following two decades, a sense of urgency developed regarding the need to change society in order to enable women to have careers and men to take part in parental and other family duties. Considering that Japan’s birth rate is declining, its society is rapidly aging, and immigrant workers are not widely accepted,

Japan also has no other option than to follow the social path Holland took, although this would temporarily increase social security and other costs. Japan has to break away from the male-centered working model and encourage the participation of women and the elderly in the labor market.

One of the ongoing concerns in Holland is the increasing number of people working on fixed-term contracts, who represent over 20% of the dependent employees. While part-time workers on permanent contracts are assured of equal treatment, workers on fixed-term contracts are more vulnerable. They are very vulnerable to the effect of economic cycles. The government therefore seeks to counterbalance these unstable working conditions by providing social security benefits to employees who lose their jobs. ■

Mr. Wiggers heads the Japanese subsidiary of Holland’s Randstad Holding nv, the world’s leading HR service provider. He was involved in the establishment of the company’s Italian and Japanese subsidiaries, later becoming Managing Director for the Asian region.

Equal treatment begins with reducing long working hours

Jiro Mizushima

Professor, Faculty of Law, Politics and Economics,
Chiba University

The increase in part-time employment among women in Holland was triggered by an increase in demand for labor in the service sector in the 1980s. Dutch labor unions were experiencing a decline in membership in the manufacturing sector at the time, and positioned “women,” “part-time employment,” and “the service sector,” where expansion was conspicuous, as the key elements of their strategies, actively setting out to improve treatment. A move of this type differs greatly from the stance of Japanese trade unions, which are known for their focus on full-time employees. Later, conditions for part-time employment improved significantly with the introduction of equal treatment for full-time and part-time employment (1996) and the passage of a law giving employees the right to request their employers to increase or reduce their working hours (2000). No similar mechanisms exist in Japan.

A traditional Christian view of the family, which sees the role of the mother as dedicating herself to child-raising while her children are small, is strongly rooted in Holland, and even today many women hesitate to seek full-time employment. Against this background, part-time employment is regarded as a practical choice. It would be a one-sided view to see Holland as a utopia which has realized a level of gender equality equivalent to that of northern Europe, where the rate of full-time employment among women is high, simply because the employment rate among Dutch women is high.

Equal treatment for full-time and part-time employment should also be realized in Japan, but it will be difficult in practice. Recruitment practices, employment conditions, etc. are different in Japan, and we have no benchmarks to enable us to identify where we should realize greater equality and how we should do it. In addition, Japanese companies put the customer first, and they emphasize a working style in which employees are expected to willingly perform overtime in response to requests. The goal will be difficult to realize unless we change awareness within companies. First, it will be necessary to focus on Japan’s long working hours, which are predicated on male employee-oriented

overtime work, and ensure that working hours are restricted to appropriate bounds. By this means we would create a working environment in which everyone works their set hours, and we would at last be able to identify what we should be comparing to achieve equal treatment. ■

Professor Mizushima conducts research in the field of comparative European politics, with a focus on Dutch politics. He explores changes in contemporary Europe through consideration of the Dutch model.

Make work conditions more flexible

David N. Barnes

Vice President, Global Workforce Policy
IBM Corporation

Today's technological advancement creates more options for people in terms of where and how they work. Because they attract highly skilled workers, flexible employment conditions have merit for both employees and employers. They also make it possible for workers to balance work and family. At IBM, we offer our employees whose positions are above a certain level around the world flexibility with regard to when and where they do their jobs, to the extent that national or regional laws permit. Part-time employment, which is widespread in the Netherlands, is certainly also an attractive option given the flexibility it offers in terms of time.

However, part-time employment is not the only solution to increasing the employment rate for women. According to OECD

data, the difference between the overall national employment rate and the employment rate for women is 5% or less in the Netherlands, Sweden, Germany, the UK, and the US, but the proportion of part-time jobs in the total employment market is low in all of these countries other than the Netherlands. On the other hand, the difference between the overall employment rate and the employment rate for women is 10% in Japan. This tells us that there must be other reasons for Japan's low female employment rate beyond the simple lack of availability of part-time work.

The labor market rules in the Netherlands are a product of the nation's history, society, and culture. Simply removing one component of part-time work from its context and transplanting it into a totally different country wouldn't work. However, the idea would be successful if it is part of a more comprehensive reform package. It would be necessary to fundamentally increase the flexibility of work, including measures such as introducing job-based contracts with clear job descriptions and evaluation based on performance. There is fear that the encouragement of part-time work in Japan without these conditions precedent might simply result in a further increase in the proportion of non-regular workers. ■

Mr. Barnes leads a specialized team based in Washington DC overseeing areas including labor and employment regulations, skill development, and workforce deployment in the countries in which IBM is active.

This is a translation of a paper originally published in Japanese. NIRA bears full responsibility for the translation presented here.

About this Issue

Female Employment and the Dutch Model

In Japan, a working style predicated upon long working hours represents a significant impediment to women continuing in employment. Consideration of Dutch initiatives in the area of part-time employment therefore has value for Japan. The distinctive feature of the Dutch model is that in principle all workers have the right to request changes to their working hours. The fact that remuneration for time worked and working conditions are equivalent for part-time and full-time work is also a noteworthy aspect of the system. In Japan, employees engaged in child-raising or the provision of nursing care are able to work restricted hours, but the number of companies offering this possibility to other employees is extremely low. In addition, when they choose part-time labor with low working hours, workers have to accept the tradeoff that they are considered auxiliary workers, and that their pay and their opportunities for advancement will suffer as a consequence.

Today, the female employment rate in Holland is 80%, and the birth rate has recovered to 1.7. These are said to be results of the spread of part-time employ-

ment. It may be the case that a system like Holland's, in which workers do not receive disadvantageous treatment and are able to feel secure in their employment despite low working hours, holds the key to promoting a greater rate of employment among Japan's women.

A country's approach to work is deeply bound up with its characteristic systems and its history. For example, while Sweden and Norway are known to be advanced in terms of equality between the sexes, they are not actively promoting part-time employment. It is possibly the case that the approach taken in this area should vary depending on the historical background and the characteristic systems and employment traditions of the country concerned.

This issue of *My Vision* takes opinions from experts as to whether the Dutch model of part-time employment could be an effective method of promoting employment among Japanese women, for whom the culture of long working hours is a significant problem.

Reiko Kanda, NIRA Executive Vice President

National Institute for Research Advancement (NIRA)

4-20-3 Ebisu, Shibuya-ku, Tokyo 150-6034, Japan

(URL: <http://www.nira.or.jp/english/>)

(Facebook: <https://www.facebook.com/nira.japan>)

For more information : info@nira.or.jp

Tel +81-3-5448-1735 Fax +81-3-5448-1744