

## Career-track based Employment System as a Form of Indirect Discrimination

Comments on the Government Report

The Government states in its Report, that it “advises companies on how they can ensure that a career-tracking system does not operate as a discriminatory, de facto gender-based personnel management system.” (paragraph 64) However, the problem is not in the “operation” but in the “employment management categories” (note) in the Guidelines under the Equal Employment Opportunity Act.

1) The provision on the “employment management category” provides companies with opportunities to introduce career-track based personnel systems. After more than 20 years since the adoption of the Equal Employment Opportunity Act, the proportion of women in tracks leading to management positions is just 6%.

2) In the clerical tracks, which are 100% comprised of women, opportunities for promotion, education and training are lost, and the wage disparities are considerable. The “employment management category” is a form of indirect discrimination that leads to concentration of women in employment areas with low pay and fewer promotion, and creates an obstacle to gender equality in this country.

(note) The term, “employment management category” is a category based on type of jobs, qualifications, forms of employment etc., or other category of workers, when the categories are established, so that workers belonging to the category are subject to a different employment management from workers belonging to other categories. (Guideline under the Equal Employment Opportunity Act for appropriate actions by employers on matters stipulated in the provisions regarding prohibition of discrimination of workers on grounds of sex)

WWN calls for the following:

1) The “employment management category,” which is a form of indirect discrimination, is stipulated in the Guidelines under the Equal Employment Opportunity Act. WWN calls for the deletion of the term.

2) In the survey conducted by WWN, it was revealed that there were increasing number of financial, trading and major manufacturing companies, which had established “management tracks” in name only. But the low pay and lack of

promotion opportunities remain the same. WWN emphasizes the need to understand the situation of “*invisulalisation*” of the career-track based system.

3) WWN calls for the need to understand the number of companies, which has introduced the career-track based system, and other statistics, such as the proportion of women in the tracks leading to management positions.

### Chart 1

Comparison between the Equal Employment Opportunity Act and its Guideline

Equal Employment Opportunity Act	Guideline under the Act
Article 5 prohibits discriminatory treatment in recruitment and hiring on grounds of sex.	On matters related to Article 5, exclusion from <u>a single employment management category</u> of either men or women in recruitment and hiring is prohibited.
Article 6 prohibits discriminatory treatment in assignment, promotion, demotion, education and training on grounds of sex.	On matters related to Article 6, exclusion of men and women within <u>a single employment management category</u> from promotion to a particular position is prohibited.

### Chart 2

(Note 1)

Companies implementing career-track based systems (based on the size of company):

2003 (data from Ministry of Health, Labour and Welfare)

Companies with 5,000 employees or more	46.7%
Companies with 1,000-4,999 employees	38.1%
Companies with 300-999 employees	23%
Companies with 100-299 employees	13.7%
Companies with 30-99 employees	5.9%

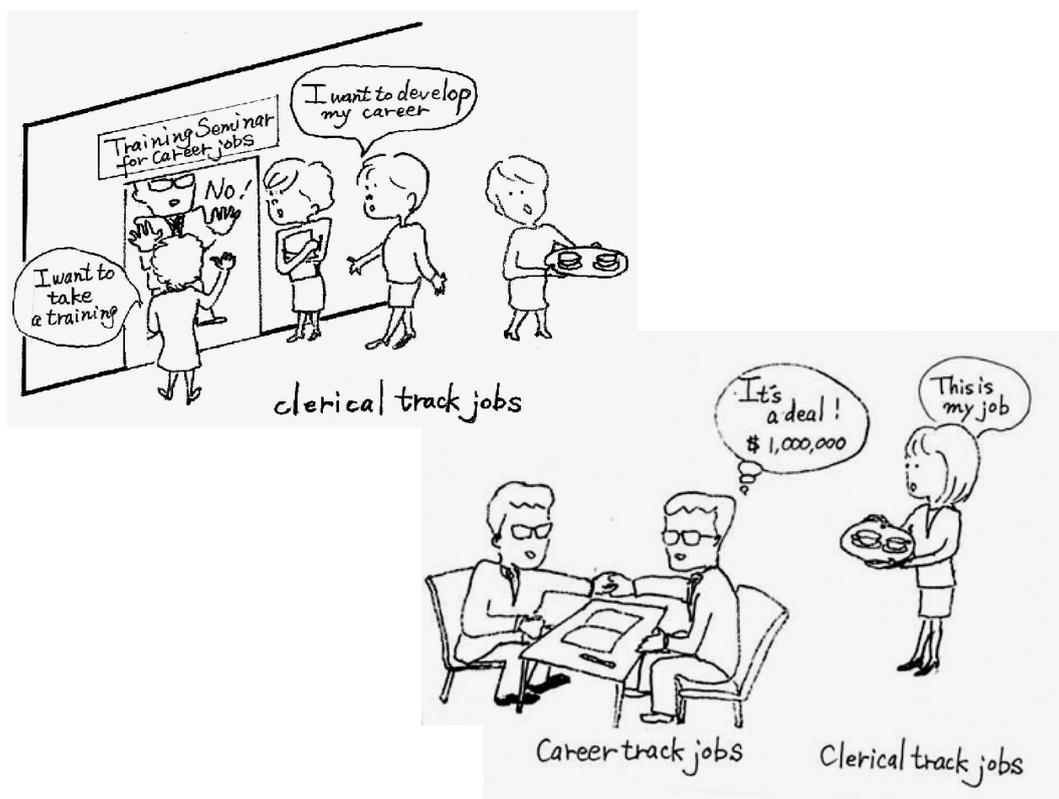
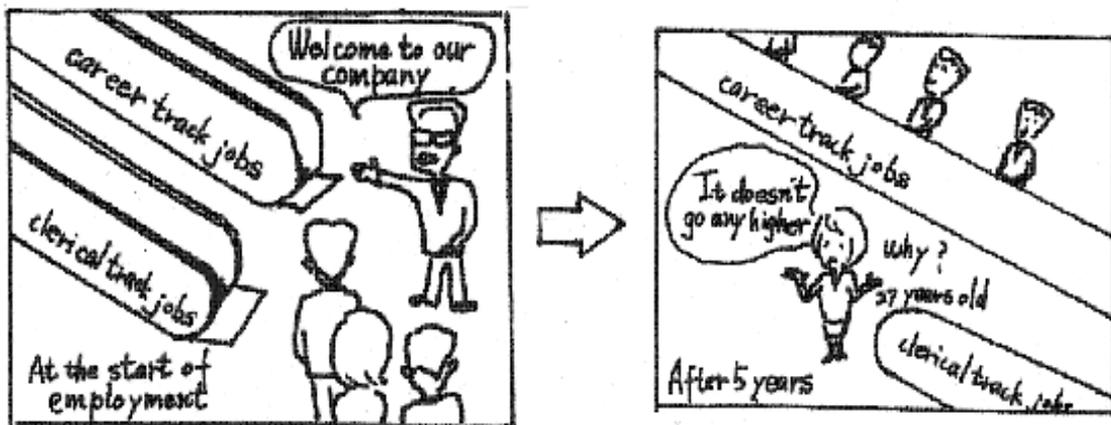
(Note 2)

Ratio of women in main career tracks 2005 (Japan Institute of Workers' Evolution)

Companies with 5,000 employees or more	2.1%
Companies with 1,000-4,999 employees	3.6%
Companies with 300-999 employees	5.0%

(Note 3)

Women's wages and promotion are limited because of indirectly discriminatory track based system



(Note 4)

Wages of men and women in the career-track based system at Company M, a major trading company

The proportion of women in the management track is 3% (2007). The annual income of a 55 year old female employee is the same as that of a 27 year old male employee.

