

Cross Border Business Law Blog

Japan's and Germany's New Laws to Promote Women in Business

By Sara Sandford on 9.10.15 | Posted in Corporate Matters, Employment

Will recent international laws impact the role of women in business? Can a country legislate the role of women in corporations?

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Japan's Law on Promoting Women's Role in the Workplace

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On Aug. 28th, the Japanese parliament approved a bill aimed at promoting and enhancing women's role in the workplace. Companies with over 300 employees must analyze their current status and set numerical targets for promoting and employing women.

The analysis must consider various aspects of women's participation in a business:

- 1) The ratio of women in recruitment;
- 2) The difference between genders in the duration of employment;
- 3) The working hours for women;
- 4) The ratio of women in management positions; and
- 5) Other aspects of women's participation.

Companies must then establish numerical targets for at least one of these aspects of the operations in their action plans to be implemented beginning April 1, 2016. Their plans must be made public. The law also calls for creating an environment where women can balance work and family.

Others are also impacted by the law. The new law imposes similar obligations on central and local governments. Companies with 300 or fewer employees are also required to make efforts to comply with the law, but without any set process.

Although there are no mandatory numerical goals and no penalties for anyone, the law is viewed as a significant development. The Japan Institute for Labor Policy and Training, reports that women make up 11 percent in management positions in 2013. This law aims to increase that number.

Germany's Law on Requiring Women on Boards

Similarly, last week, Germany passed a law requiring public companies to give 30 percent of board seats to women. In companies on the S&P 500, women represent under 20 percent of the directors. Even in England, where there has been a concerted, voluntary effort to increase the number of women on boards, called the 30% Club, the New York Times recently reported in "[Women on Boards: Where the U.S. Ranks](#)" that the boards of Britain's biggest stock index companies are only 23 percent female. This phenomenon persists, despite studies such as that from David A. Carter, Frank D'Souza, Betty J. Simkins & W. Gary Simpson, indicating that gender and ethnic diversity on boards has a significantly positive effect on return on investment, (See, *The Gender and Ethnic Diversity of U.S. Boards and Board Committees and Performance*, 18 CORP. GOVERNANCE: AN INT'L REV. 396, 400 (2010).)

Will these laws make positive change for corporations by allowing firms to explore any benefits of greater numbers of women in the corporate world or will laws mandating such change just be an ineffective annoyance?

Tags: 30% Club, board seats, corporations, Japan Institute for Labor Policy and Training, Japanese parliament, public companies, women's role in workplace