

On the Demand for Female Workers in Japan: The Role of ICT and Offshoring

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Abstract

In light of the increasing importance of female labor participation in Japan, this paper examines the determinants of the demand for female workers. One of the contributions of this paper is that we shed light on the role of information and communication technology (ICT) and offshoring as determinants of female labor demand. Estimating a system of variable factor demands for manufacturing industries between 1980 and 2011, we find that, while the ICT capital stock has significantly positive effects on the demand for low, middle-high, and high skilled female workers, it has significantly negative effects on the demand for middle-low skilled female workers. In contrast, offshoring has insignificant effects on the demand for female workers. The results suggest that offshoring is at least not harmful for the demand for female workers. A part of the increasing demand for female workers can be attributable to ICT, which contributes to narrow the gender wage gap in Japan.

Key words: Labor Demand; Female Workers; Offshoring; Information and Communication Technology; Skills

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