

FORUM REPORT 002

# Unhappy Japan: Exploring the Sources of Gloom under Peace, Prosperity, and Democracy

Reexamining Japan in Global Context Forum, Osaka, Japan, May 11, 2013

## What can Japan learn from the recent research in well-being?

Professor Nattavudh Powdthavee

*The London School of Economics and University of Melbourne*

It is well documented in the scholarly literature that Japan scores amongst the lowest of OECD countries in terms of happiness. Yet this does not necessarily mean that Japanese people are significantly less happy than people in other societies. Cultural differences play an important part in determining how people rate their happiness or life satisfaction, and it is possible that the people of Japan systematically use a lower benchmark score when answering questions about what makes “a good and happy life” compared to people in other countries.

But does this mean that we should not be collecting happiness data in Japan? On the contrary, research has shown that the practice of within-country comparisons of happiness data is still valid, even if inter-country comparisons are suspect. One reason for this is that recent research has been able to provide objective confirmation that, within the same country and culture, what people say about their own happiness does indeed provide useful information about their subjective well-being.

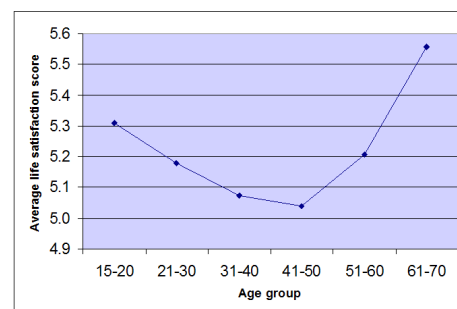
For instance, self-reported happiness has been shown to correlate significantly with the duration of “Duchenne” smiles—that is, smiles with a distinctive muscle contraction pattern that is uniquely correlated with positive emotion—as well as the quality of memory, blood pressure, brain activity, and even heart rate. More remarkably, scientists have been able to show that how happy we feel about our lives today has important predictive power for whether or not we will

still be alive in forty or fifty years. Put simply, within the same country context, we really do mean what we say; comparisons of subjective happiness scores are therefore not only valid, but also necessary to enable us to understand the determinants of our true well-being better.

What can Japan learn from recent happiness research? To begin, happiness is U-shaped with respect to age. On average, we are likely to be happier with our life when we are at the younger and older stages of our life-cycle. We are least happy somewhere around the mid-40s.

The big negatives for happiness in life include (for example) unemployment and ill health; yet these negative experi-

**The pattern of a typical person’s happiness through life**



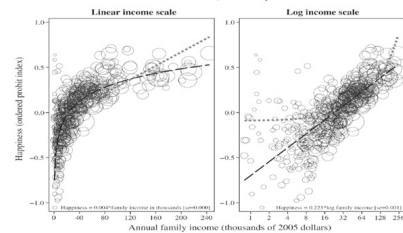
**A life satisfaction U-shape in age also exists in many developing nations**

In World Values Survey data, there is a U-shape and it reaches its minimum at:

- Brazil 37**
- China 46**
- El Salvador 48**
- Mexico 41**
- Nigeria 42**
- Tanzania 46**
- Japan 49**

**The rich are significantly happier than the poor**

**Happiness and log household income  
American General Social Survey (Stevenson and Wolfers, 2008)**

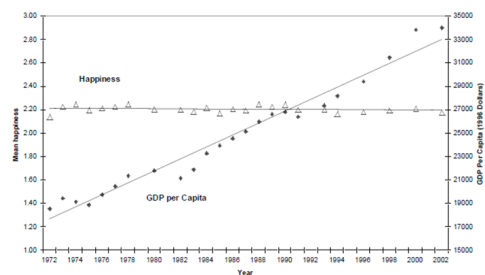


Source: General Social Survey (USA), 1972-2006; authors' regressions. Each circle aggregates income and happiness for one GSS income category in one year, and its diameter is proportional to the population of that income category in that year. The vertical axis in each panel plots the coefficients from an ordered probit regression of happiness on family income category  $\times$  year fixed effects; the horizontal axis plots real family income, defined by the CPS-UR, in each panel the above- and long-dashed lines are fitted from regressions of happiness on family income and the log of family income, respectively, weighting by the number of respondents in each income category  $\times$  year. Survey questions asks, "Taken all together, how would you say things are these days—would you say that you are very happy, pretty happy, or not too happy?"

ences hurt us less if we happen to know a lot of other people who are ill or unemployed. Marriage and friendships contribute strongly to happiness, but there is little evidence to suggest that children make parents any happier than childless people. More recently, happiness economists have found a way to put equivalent monetary values on happiness (or unhappiness) from seemingly priceless experiences or life events that have no obvious market value, such as time spent with friends, getting married, losing one's job, and experiencing different types of bereavement.

**The conversation starter...**

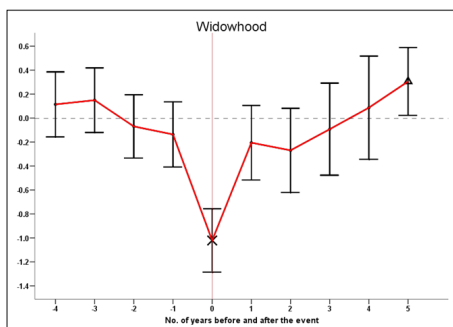
Fig. 1. Happiness and Real GDP per Capita, United States, 1972-2002



Source : Davis and Smith, 2002; U.S. Bureau of the Census, 2003.

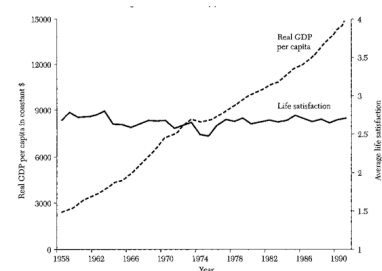
Easterlin (2004)

**The unhappiness from bereavement**



One of the main research questions in the literature has been whether money buys happiness. We know now that money buys very little happiness, and that other people's money tends to make us feel unhappy with our own. Cross-sectional, within-country comparisons of the happiness of rich people and poor people reveal that the rich are on average significantly more satisfied with their lives than are the poor. However, there is considerable evidence that, despite substantial real income growth over the last fifty years in countries such as the United States, the United Kingdom, and Japan, there has not been a significant corresponding rise in reported happiness levels. This so-called Easterlin paradox

**The relationship between income and well-being in Japan over 25 years**



(named after Richard Easterlin of the University of Southern California)—i.e., the rich are happier than the poor, but more income for all does not improve the happiness for all—is puzzling for economists who have traditionally assumed overall wealth correlates with social utility.

There are many potential explanations for the Easterlin paradox, one of which is that people care as deeply about

## The Japanese tend to compare themselves with friends and colleagues

Table 5. Evidence from self-reported reference income. OLS Estimates of Satisfaction with Income

Comparison Benchmark	(1) Whole	(2) Family	(3) Neighbours	(4) Friends	(5) Colleagues	(6) Don't compare	(7) Others
Dependent Variable: Satisfaction with Income							
Own income	0.360*** (0.020)	0.242*** (0.089)	0.229*** (0.079)	0.378*** (0.031)	0.461*** (0.049)	0.331*** (0.038)	0.307*** (0.116)
Self-reported reference income	-0.134*** (0.021)	-0.033 (0.090)	-0.151* (0.082)	-0.157*** (0.035)	-0.285*** (0.057)	-0.047 (0.038)	-0.251** (0.116)
Observations	10203	483	578	4279	2024	2592	247
R-squared	0.101	0.113	0.115	0.091	0.092	0.095	0.240

Note: The regressions in each column include all of the other control variables in Table 4. Column (1) estimate on the whole sample. Columns (2) to (7): each column presents an estimate on the sub-sample of respondents who indicate that they compare to a certain group.

other people's income as their own; in other words, increased wealth will make people happier if it means that it makes them richer than other people in their own reference group. Subsequent research has also shown that there are many types of people who make up our reference group; for instance, we tend to compare our earnings with the earnings of colleagues, neighbours, people our age and sex, and even our spouses. What this finding implies is that as one person becomes richer than others over time, his or her happiness will improve vis-à-vis people in the relevant reference group, but theirs will also decline. Since relative-gains seeking is a zero-sum game (for every winner, there is also a loser), over time the effect of an increase in income on aggregate happiness will be a function entirely of what money can buy in terms of consumption. This explains why in countries where the standard of living is already high, such as the United States and Japan, an increase in income for all does not automatically lead to an increase in happiness for all.

One important takeaway from recent research in well-being is that the structure of the happiness equation in Japan is not much different from that of the rest of the world. What makes people happy (or unhappy) in Britain, the United States, or France is likely to have a similar qualitative—or even quantitative—effect on the happiness of people in Japan. This is the case even when aggregate happiness scores in Japan are lower than in other OECD countries. These findings all point towards the same conclusion: that happiness data mean something useful even in a country such as Japan, and that the Japanese government should consider collecting better national happiness data so as to determine how better to harness public policy to improve happiness.



In the question and answer session that followed Professor Powdthavee's presentation, the first issue that arose concerned the definition of happiness. Professor Powdthavee

used “happiness,” “well-being,” and “satisfaction” more or less interchangeably, one participant noted, but it could be argued that they are very different: happiness is a mental state; well-being is arguably an objective condition; and satisfaction is entirely relative to expectation. Professor Powdthavee agreed, but noted that there is nevertheless a strong correlation between happiness and satisfaction in respondents' answers to questions about each, which is why he used these terms together; doing so highlights the importance of the non-pecuniary aspect of happiness. Other participants raised the possibly complicating consideration of cultural conceptual differences. Happiness might mean something fundamentally different to an ascetic Buddhist monk, for example, than it would to a Japanese businessman. While inter-cultural conceptual differences might be real, Professor Powdthavee responded, large-sample, cross-national studies have illustrated common patterns, and the number of people with highly unusual understanding of happiness constitute too small a fraction of the pool to make much difference. The final conceptual question concerned the possibility of finding an “objective” indicator of happiness—for example, by measuring hormone levels or brain activity. While it is clear that biochemistry and neurology are related to subjective happiness, Professor Powdthavee explained, the precise correlations and the possible directions of causality are not yet clear. Nor is it possible yet to imagine how biological indicators of happiness could be harnessed to the cause of improving public policy.

The second issue raised by participants concerned the “U-shaped” curve. One noted that there is evidence that the Japanese happiness curve is flatter than in other countries—i.e., that it resembles more of an “L” than a “U.” In Japanese society, retirement is regarded as something equivalent to unemployment, so the loss of self-esteem that results from leaving one's workplace can counterbalance the gain in personal freedom. Another added that the L-curve phenomenon might, in fact, become more common elsewhere as a consequence of globalization and the expansion of the middle class. For example, in India, Pakistan, and Myanmar, stress from rising social expectations and eroding traditional family relationships in large cities have resulted in both younger and older members of the urban middle class experiencing higher rates of depression. In particular, middle-class retirees increasingly experience a sense of insecurity owing to the fact that they can no longer expect to be cared for by their children.

The final issue concerned the question of whether social utility could ever truly be maximized if a relative gains mindset is hard-wired into the human brain. Professor Powdthavee suggested that research on relatively egalitarian societies, particularly Scandinavian countries, provides us with some clues. However, in the absence of pre-existing egalitarian norms, it is difficult to know how we might promote new social structures with disincentives for relative-gains seeking.

# Japanese well-being under globalization

Professor Yukiko Uchida

Kokoro Research Center, Kyoto University

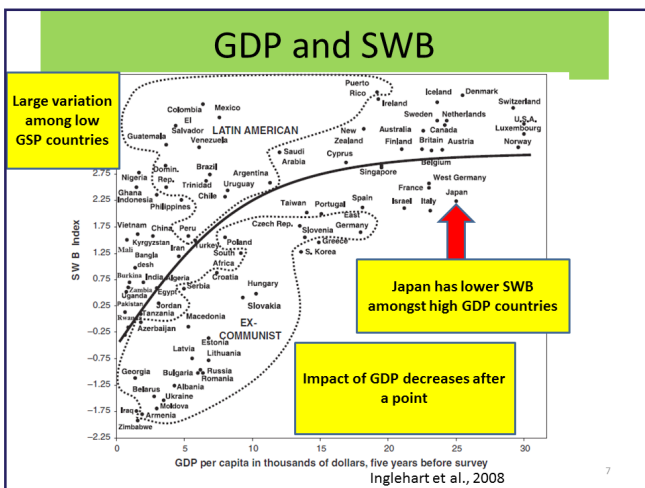
It has been shown that in Japan, raw scores of happiness and life satisfaction are relatively lower than in other industrialized societies. Based on this simple mean comparison, Japan has often been characterized as a “miserable country.” This might be justified if the cause of unhappiness could be determined from these studies precisely; but it is important to note that in Japanese culture well-being is understood as a collectively shared concept, not an individualistic one. Since happiness is culturally construed, it is not clear that cross-cultural “standardized” scales are always valid. A common standardized scale seeking to assess life satisfaction, for example, measures European-American ideas of happiness, which are based upon personal achievement and attainment. Moreover, the ideal level of happiness also differs across cultures. The Commission on Measuring Well-Being (2010-2013) found that Japanese respondents put the ideal level of happiness at 7.2 on a 10-point scale—much lower than do American respondents. It is not entirely surprising that Japanese report lower levels of happiness if they do not seek 100 percent happiness in the first place.

## Culture and happiness (Uchida & Ogihara, 2011 and 2012)

JP dialectic model relationship	U.S. incremental model Personal achievement
Calmness	Elation, excitement (Tsai et al., 2006)
Balance between positive and negative feelings (Miyamoto & Ryff, 2011)	Incremental view (Ji et al., 2001)
Relationship orientation (Oishi & Diener, 2001) Emotional support (Uchida et al., 2008)	Self-esteem (Diener & Diener, 1995) Personal goal attainment (Oishi & Diener, 2001)
Social comparison, same as others (Hitokoto et al., 2008)	Personal choice (Inglehart et al., 2008)

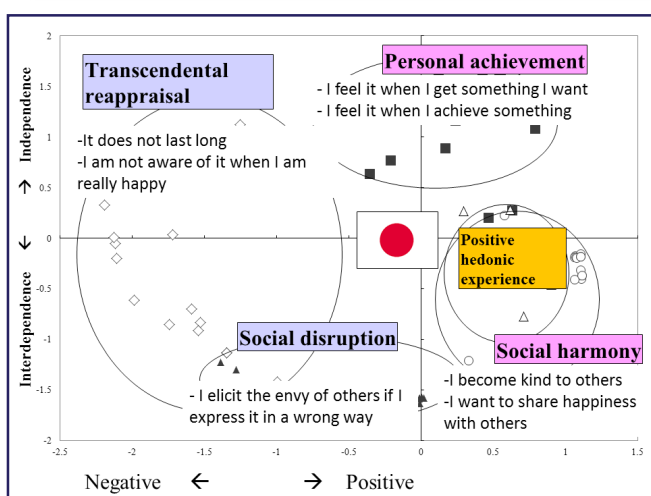
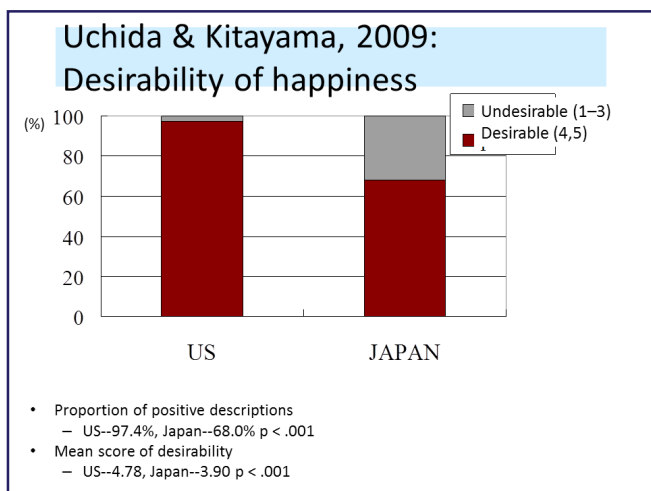
cultural contexts evaluate their current state of happiness by taking into account the ups and downs of life as a whole and by “balancing” social relationships.

The distinction between an incremental understanding of happiness (as in Europe and North America) and a dialectical understanding of happiness (in East Asia) can affect prediction and motivation. One study indicated that, when presented with graphs representing either a linear or non-linear trend and asked to indicate which graph might best represent the change in their happiness over the course of their lives, Chinese respondents were more likely to choose a nonlinear graph, while Americans were more likely to choose a linear one. Another study indicated that Americans tend to believe that happiness is a relatively enduring positive state that should be pursued individually, whereas Japanese are likely to believe that happiness is a transitory interpersonal moment “balanced” by numerous negative consequences. In this particular study, American and Japanese participants were asked to describe up to five features, effects, or consequences of happiness and then rate them in terms of general desirability. Results showed that over 98 percent of American descriptions were reported as positive, whereas only 67 percent of Japanese descriptions were reported as positive. Content analysis revealed two clusters of negative features of happiness for the Japanese group: (1) transcendental reappraisal, which included avoidance (e.g., letting people avoid reality), and transcendental realization (e.g., being acutely aware of the ephemeral or transitory nature of the feeling of happiness); and (2) social disruption, which included negative social consequences (e.g., eliciting the envy of others) and inattention (e.g., to one’s surroundings). These negative clusters were largely absent within the American sample.



In European and American cultural contexts, happiness and subjective well-being are defined as a positive emotional state that is seen as contingent upon both personal achievement and positive personal attributes. Negative features of the self, including negative emotional states, are perceived to hinder happiness. Furthermore, happiness and subjective well-being are understood as monotonic and incremental: positive situations are considered to invite more positive outcomes. Individuals within these cultures are motivated to maximize the experience of positive affect, and accordingly seek to find and to affirm positivity within themselves or in their life circumstances. In contrast, people in East Asian





variety of beneficial effects on health and well-being. Moreover, Europeans and Americans see social relationships as important because they affirm a sense of positive self-worth or self-esteem. Self-esteem and perceived emotional support predict happiness in Japan and the Philippines as well; however, in the American sample, the effect of emotional support on happiness vanished when controlled for self-esteem, leaving self-esteem as the only remaining predictor of happiness.


As a result of globalization, Western individualism is being exported to Japan, both at the personal and macro levels. At the personal level, for instance, average family size has decreased; the divorce rate has increased; and the importance of independence in socialization has increased. At the macro level, we see individualism spreading in the workplace. As a consequence, people in Japan (particularly the young) are increasingly faced with achievement-oriented situations for which they have not been prepared culturally and that can have a powerful negative psychological effect as a result.

For North Americans, motivation tends to be oriented towards self-enhancement; for Japanese, it tends to be oriented towards self-improvement. Since North Americans tend to be motivated by self-enhancement, occupational training tends to focus on specialization, which means that individuals focus primarily on refining the skills at which they already excel. In contrast, self-improvement in Japan is aligned with occupational training to become generalists; individuals constantly try to improve on their shortcomings so that they can be well-rounded enough to fulfill a variety of roles in a variety of situations. One study has shown that, as a result of this, Japanese individuals tend to be motivated to work harder upon receiving “failure feedback” than upon receiving “success feedback.” This pattern is reversed for Canadians. Another study replicating this finding helps explain the relatively high incidence of NEET (“not in education, employment, or training”) and Hikikomori (social withdrawal) in Japanese society. Using the NEET Risk Factor Scale, this study separated Japanese student subjects into high-risk and low-risk categories. As expected, low-risk students showed increased persistence after the failure feedback condition relative to the success feedback condition. Interestingly, the motivational pattern was reversed for high-risk students, who appeared to be less motivated to persist after failure feedback—although they were not as motivated by success feedback as were the Canadian participants in the prior study. Even if high-risk students in Canada and Japan shared the same motivational style, the result would probably be different. Less motivation after failure might lead to “drop-out” in Japan, whereas it might lead to “new opportunity seeking” in North America, since North Americans have a stronger sense of self-esteem that works as a buffer against severe competition during opportunity seeking. In Japan, even though competitiveness and social mobility are increasing, there is little self-esteem training to provide a necessary psychological buffer. As a


To some extent, this difference in orientation toward happiness may reflect adaptation to context. The Japanese orientation toward balance befits a country with limited resources and a small land area where highly pro-social norms are advantageous not only to the group but to individuals within it. The American orientation toward achievement is well-suited to a large country rich in resources, where one individual’s gain is not necessarily another’s (or society’s) loss.

Turning now to predictors of happiness, several studies have shown that people in individualistic cultures are motivated to maximize the experience of positive affect and to seek happiness through autonomous agency. In contrast, in East Asian cultural contexts happiness tends to be defined in terms of interpersonal connectedness or “balance” between the self and others. In European-American cultural contexts, the factor that tends to be most correlated with happiness is self-esteem. In contrast, interpersonal factors—such as adapting to social norms and maintain harmony in relationships—tend to increase subjective well-being among people in East Asian cultural contexts.

This is not to say, of course, that social relationships are unimportant in Europe or the United States; studies also show that the perceived availability of support provides a

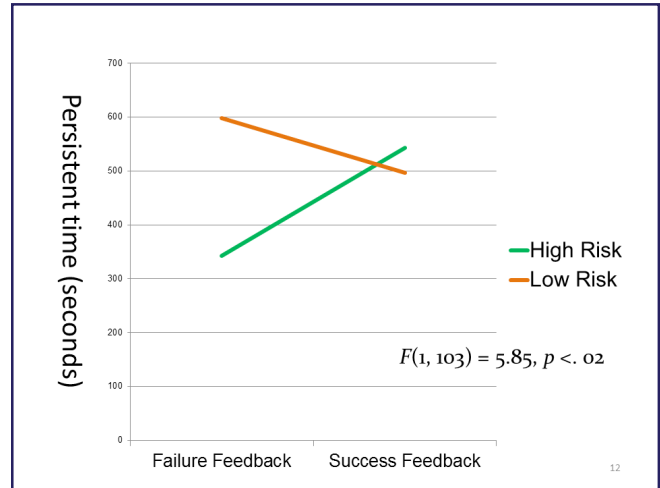


## Hikikomori



- Reclusive life for six months or longer (from 20-40 years old)
- No intimate relationships with others (except family)
- Withdrawn behaviors not being related to psychotic disorders
- Inability to participate in school or work

(Japan Ministry of Health and Labor, 2003)



result, current trends in Japan toward an achievement-orientation under the pressure of globalization may decrease well-being and exacerbate socio-mental problems such as NEET and Hikikomori because they run headlong into traditional Japanese cultural values. Interpersonal relationships are at risk when Japanese pursue individualistic goals that make them unhappy. An achievement orientation makes it difficult for Japanese individuals to build and maintain good relationships with others while engaged in competition.

Interestingly, research does not suggest that individualism has a negative effect on relationships in the U.S. case—a finding consistent with the view that individualism in Japan may be qualitatively different from individualism in the United States; that is, individualism in Japan is more likely to be interpreted as “doing something alone,” which connotes egoism or social isolation, in contrast to the United States, where it is interpreted predominantly (and valued socially) as “personal achievement.” The discrepancy between global and traditional standards may be eroding overall happiness among Japanese individuals.

Japan may not be the only country experiencing these stresses. Similar patterns may also be evident in other Asian cultural contexts that are also experiencing a shift toward European-American ideas of happiness. It is necessary to examine this issue rigorously in other countries that are also under pressure of globalization.



In the second Q&A session, discussion began with the use of the term “globalization.” Some participants pointed out that even among “Western” countries, the concept is understood in various different ways, and so it may be problematic to embrace only one (American) version of the term. The same arises with respect to the word “individualism.” Professor Uchida agreed with these comments and noted that since the discipline of social psychology originated in the United States, much of the early research understandably tended to

normalize dominant American conceptualizations. But this is gradually changing. As scholars in other countries take up these questions, the field is being more careful in its claims about scope conditions and is collecting a much larger and richer body of cross-national data.

The discussion then moved on to the question of when exactly Japanese people feel that they deserve to be happy. In other countries, winning a lottery is celebrated and the winner feels openly happy about it even if no effort was involved. In Japan, however, lottery winners either try to hide the fact that they have won or try to “balance” the emotion in some fashion, since their understanding of social harmony dictates that they try to avoid causing envy, and since happiness effortlessly derived is not seen as worthy of celebration. Professor Uchida noted that this emphasis on “balancing” one’s emotion even when experiencing happiness might provide a clue as to why Japanese respondents answered 7.2/10 when asked to assess the ideal level of happiness. In the Japanese cultural context, the feeling of happiness is balanced by a social tendency not to stand out, by the impulse to seek further self-improvement even in the best of times, and by the belief that happiness is not the highest value: one should strive to accept the totality of life experience complete with its ups and downs.

Finally, questions arose regarding gender differences within the Japanese sample pool. Professor Uchida replied that no clear gender difference was evident in balance-seeking behaviour, but that females tended to be more concerned with relationships, and males were more likely to be NEET or Hikikomori. Referring to current research in epigenetics, some participants wondered whether ethnic Japanese (Nikkei) in North America would demonstrate the same behavioural patterns as their Japanese counterparts. Professor Uchida replied that evidence suggests that Nikkei tend to occupy a middle point between the typical Japanese and the typical American subjects, but much depended upon when their families emigrated from Japan.

## Reexamining Japan in Global Context

Unhappy Japan: Exploring the Sources of Gloom under Peace, Prosperity, and Democracy

Saturday, May 11, 2013

Suntory Foundation, Osaka

### Keynote Speakers

- Professor Nattavudh POWDTHAVEE, *Principal Research Fellow, Centre for Economic Performance, London School of Economics, and Professorial Research Fellow, University of Melbourne*
- Professor Yukiko UCHIDA, *Assistant Professor, Kokoro Research Center, Kyoto University*

### Project Directors

- Professor Masayuki TADOKORO, *Professor, Faculty of Law, Keio University (International Politics)*
- Professor David A. Welch, *CIGI Chair of Global Security and Director, Balsillie School of International Affairs; Professor of Political Science, University of Waterloo (International Politics)*

### Project Core Members

- Professor Fumiaki KUBO, *Professor, Faculty of Law, Tokyo University (History of American Politics, Foreign Diplomacy)*
- Professor Ken ENDO, *Professor, Graduate School of Public Policy, Hokkaido University (International Politics)*

### Project Members

- Mr. Masashi MIURA, *Literary critic*
- Professor Fumio OHTAKE, *Institute of Social and Economic Research, Osaka University*
- Dr. Marie LALL, *Reader in Education and South Asian Studies, Institute of Education, University of London*

### Project Assistants

- Mr. Seiichi HAYASHI, *Keio University*
- Dr. Seung Hyok LEE, *Renison University College, University of Waterloo (in absentia)*



**Dr Nattavudh (Nick) Powdthavee** is one of a new generation of scholars who analyze happiness through the lens of behavioural economics. He has appeared many times in the media in the United Kingdom, and his research has earned wide acclaim. Professor Powdthavee is the author of *The Happiness Equation: The Surprising Economics of Our Most Valuable Asset* (Icon Books, 2010).



**Professor Yukiko Uchida** is a former member of the Cabinet Office of Japan's Commission on Measuring Well-Being. She has conducted extensive research on happiness from the perspectives of cultural and social psychology and is co-author of "Marginalized Japanese youth in post-industrial Japan," in Gisela Trommsdorff and Xinyin Chen, eds, *Values, Religion, and Culture in Adolescent Development* (Cambridge University Press, 2012).



"Reexamining Japan in Global Context" is a proud partner of The Japan Futures Initiative, a network of scholars and practitioners dedicated to the promotion of the policy-relevant social scientific study of Japan. For more information, visit <http://jfi.uwaterloo.ca/>



**JAPAN FUTURES INITIATIVE**  
**日本の未来プロジェクト**  
Hosted by the University of Waterloo・ウオーターラー大学主催