Japan: Society of middle class

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Despite the economic difficulties of the last two and a half decades, Japan remains to be one of the richest countries in the world. In addition, it is also one of the most prosperous countries – both in terms of distribution of the results of economic growth among the population, as well as by a number of characteristics of the standard of living. The article examines the influence of education democratization, the ideology of lifetime employment, government policies of equalizing revenues and support weak sectors and others on the formation of the middle class. The basic indicators of standard of living of the Japanese are given.

Keywords: middle class, standard of living, social stratification, education, lifetime employment, housing, family and family relationships, work.

Japan belongs to the group of countries with the highest living standards. In 2015 the country’s gross national income per capita stood at $38,800 (at the exchange rate). Among G7 countries Japan surpassed Italy ($32,800), but markedly lagged behind the United States ($56,000) and was outmatched by Canada ($47,300), Germany ($45,800), the United Kingdom ($43,700), and France ($40,700) by that parameter.

The ranking looks different from the angle of the Purchasing Power Parity (PPP), which demonstrates the correlation between currencies in terms of domestic prices on main goods and services, or actually the purchasing power of the national currency. From the PPP’s point of view, in 2015 by the gross national income per capita ($42,300) Japan was inferior only to the United States ($57,500) and Germany ($49,100); it was an equal of Canada ($42,600) and Italy ($37,000) [World Development Indicators. Size…]. Obviously, the different results reflect the influence of deflation, which has been on in the Japanese economy since the late 1990s and has reduced prices on goods and services.

Judging by Table 1, Japan’s PPP-based GNI per capita increased 2.2 times over the 1990-2015 period. The indicators are relative (given that the dollar’s purchasing power has decreased over the years), but they still prove that the living standards in Japan improved, instead of deteriorating, over the 25 years, which are traditionally described as “lost,” and Japan remains one of the world’s richest countries.

Importantly, Japan is also one of the most successful countries in terms of distribution of the economic growth results between citizens.
Table 1.
Dynamics of Japan’s gross national income (based on exchange rate and PPP)

<table>
<thead>
<tr>
<th>Years</th>
<th>1990</th>
<th>2000</th>
<th>2010</th>
<th>2015</th>
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<tbody>
<tr>
<td>GNI (based on exchange rate, $ bln)</td>
<td>3405.2</td>
<td>4595.2</td>
<td>5562.9</td>
<td>4931.1</td>
</tr>
<tr>
<td>GNI per capita (based on exchange rate, $ thousand)</td>
<td>27.560</td>
<td>36.230</td>
<td>43.440</td>
<td>38.840</td>
</tr>
<tr>
<td>GNI (based on PPP, $ bln)</td>
<td>2390.8</td>
<td>3447.3</td>
<td>4597.8</td>
<td>5371.1</td>
</tr>
<tr>
<td>GNI per capita (based on PPP, $ thousand)</td>
<td>19.350</td>
<td>27.180</td>
<td>35.900</td>
<td>42.310</td>
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</tbody>
</table>

Source: [World Development Indicators. Country…].

A proof of this is the opinion polls held by the Prime Minister’s Office since the late 1960s: for almost five decades about 90% of the Japanese have been describing themselves as the middle class [Kokumin seikatsu…, p. 15].

**Main factors smoothing over social gaps**

Democratization of the education system, which provided an equal start for the absolute majority of citizens, was a primary cause of Japan’s transformation into “middle-class society.” The Japanese are one of the best educated nations in the world (at least, by formal parameters). As early as in 1990, the share of general-education school graduates who continued their education in high school reached 95%, while 24% of boys and 37% of girls went to universities. The indicators kept rising in the consequent years, and reached 98.5%, 52.1%, and 56.9%, respectively, by 2015 [Nihon tokei…, tables 23–25]. It is characteristic of Japan that an absolute majority of university students graduate and receive higher-education certificates.

The situation on the labor market has changed a lot under the impact of the severe and protracted economic depression, which started in Japan in the early 1990s, and good education is no longer a guarantee of stable employment [Lebedeva 2016 ], but education remains prestigious in the eyes of the Japanese public. This is proven by the aforesaid indicators.

Prof. M. Yano describes Japanese students as follows. First of all, they believe they should go to university right after they graduate from high school, i.e. at the age of 18 (80% of Japanese new students are of this age, and most of the rest are 19-year-olds who failed to pass admission tests as soon as they finished high school). There is no such rigid condition in Western countries, and students’ age ranges a great deal.

Secondly, students expect their parents to bear the financial burden of education (which often includes the rent, and daily expenses, in addition to tuition). As known, parents in Western countries usually support their children until the age of 18, while higher education is mostly paid for by students, in-
cluding by means of special loans. Parents in Japan deem the support to their children until the age of 22, i.e. until after graduation from university, to be almost a sacred duty. Interestingly, material support to children until after they graduate from university is implied by the payroll system in effect in Japanese companies. As known, the system is based on age: the salary increases with the employee’s age and labor record. The pay is the highest at the age of 50–55, when parents sponsor higher education of their children.

Thirdly, completing education is a priority. As we have mentioned before, an absolute majority of university students graduate and receive higher-education diploma. The percentage of graduates roughly stands at 70% in European university, and exceeds 90% in Japan [Yano 2013, p. 70–71].

We should add that the liberal attitude of the teaching staff to the assessment of students’ knowledge and class attendance rates contribute to that too. Japanese professors are perfectly aware that companies will evaluate first of all personal qualities of graduates, and only after that – their academic performance, since the lifetime employment system implies the development of required skills by corporate training system. As to class attendance rates, it was a standard practice that starting the second semester of the third year, 18 months before graduation, Japanese students start the job-hunting process (shushoku katsudo), which takes a lot of time and effort and often lasts for months. To get a good job is the primary objective of higher education, so the absence from classes caused by shushoku katsudo does not cause any trouble for the student.

A number of important modifications were made as the job-hunting process became more time-consuming in recent years and the damage done by that practice to the teaching process became too obvious. The Japan Federation of Economic Organizations (Nippon Keidanren), which unites the biggest companies and banks, reviewed the Charter of Corporate Recruitment and Employment Ethics in 2013 and approved new recruitment rules (the previous rules were endorsed in the 1960s). Since 2016, March 1 has been the day when companies begin hiring graduates (the very end of the third year), while the real recruitment process (interviews, and so on) starts no earlier than on August 1 (during the break in the middle of the fourth year). The recruitment process, which earlier took six months, has been cut to two months and is required to end by October 1 [Labor Situation… 2015, p. 82].

The recommendation that recruitment practice be adjusted to facilitate life of Japanese students and improve the youth employment rate has also been given to businessmen by the Advisory Board of the Ministry of Education, Culture, Science, and Sports. Business has been advised to view all young people as “clean sheets” for three years after their graduation and apply the same recruitment standards as they do to new graduates.

Alongside democratization of the education system, horizontal barriers were “erased” and social stratification of Japanese society was smoothed over
by the “lifetime employment” – labor management system, put into place in postwar Japan. Without going into details, we should say that one of its elements is the same approach to managing blue- and white-collar personnel. Japanese corporate management emphasizes the high status of rank-and-file employees and its closeness to them. There are no special canteens for managers in Japanese companies, offices of managers do not differ from other office rooms, their corporate wear is simple and modest. There are no special parking lots for supervisors, and all employees have the same parking terms.

In contrast to Western companies, which usually resolve work problems by summoning employees to the manager’s office, Japanese managers follow the gembashyugi principle (going to the place where the work is doing). Should any problems occur, employees are not summoned to the office of their superiors, but managers and specialists come to workshops to underscore respect for workers and their opinions.

Importantly, the salary gap between managers and rank-and-file employees of Japanese companies is insignificant, compared to Western firms. An average salary of Japanese workers is quite comparable with the salary of their U.S. colleagues, but remuneration of Japanese managers is way smaller than that in the U.S. For instance, top managers of the Japanese firms earn 5 times less than their U.S. colleagues, on the average [Haghirian (ed.) 2016, p. 68].

Finally, corporate trade unions in big Japanese companies unite blue- and white-collar workers, underlining the absence of rigid social barriers between these two categories of employees.

The lifetime employment system was implemented to its fullest in big private companies and state-run institutions, but its influence stretched far beyond. Not just middle but also small companies tried to follow the lifetime employment system’s principles to raise their appeal to employees. Moreover, as the lifetime employment system was based on fundamental elements of national culture and psychology, it was close and understandable to the masses and laid a basis for the lifestyle and values of several post-war generations of the Japanese.

The government’s income leveling policy

While democratization of the education system and the widely-spread lifetime employment ideology helped remove horizontal barriers and smooth over social stratification, the government sought to support the formation of “middle-class society” by regulating income with a variety of economic policy tools.

The Gini coefficient gives a rather objective idea of how big the differentiation between various social groups by income is. It demonstrates how much the actual distribution of incomes deviates from the theoretical absolutely fair distribution (the higher the coefficient is, the bigger the stratification). See table 2 for the state of affairs in Japan.
Table 2. Gini coefficient dynamics

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<tbody>
<tr>
<td>By initial income</td>
<td>–</td>
<td>0.376</td>
<td>0.408</td>
<td>0.419</td>
<td>0.435</td>
<td>0.454</td>
<td>0.470</td>
<td>–</td>
</tr>
<tr>
<td>By disposal income</td>
<td>0.300</td>
<td>0.310</td>
<td>0.333</td>
<td>0.322</td>
<td>0.323</td>
<td>0.319</td>
<td>0.316</td>
<td>0.375</td>
</tr>
<tr>
<td>Coefficient reduction</td>
<td></td>
<td>17.7</td>
<td>18.4</td>
<td>25.3</td>
<td>25.9</td>
<td>29.7</td>
<td>32.8</td>
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<tr>
<td>by income redistribution, % including:</td>
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<tr>
<td>By social insurance system</td>
<td></td>
<td>13.7</td>
<td>15.3</td>
<td>19.9</td>
<td>22.8</td>
<td>26.2</td>
<td>28.6</td>
<td>–</td>
</tr>
<tr>
<td>By tax system</td>
<td></td>
<td>4.7</td>
<td>3.7</td>
<td>4.3</td>
<td>4.1</td>
<td>4.7</td>
<td>5.8</td>
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Source: [Tokei de miru… 2008, p. 63; Labor Situation…, p. 189]

The data shows that despite an obvious trend of increasing stratification by the initial income (before paying taxes and social security contributions), the post-redistribution stratification was much smaller and remained practically unchanged for a long period of time. This proves that post-war Japan not only made huge headway in its economic development, but also created a system, under which fruits of its economic successes were shared among all citizens and all social strata.

This is largely an achievement of the purposeful policy of the Liberal Democratic Party of Japan, whose initial program documents declared “the building of a welfare state” as its goal. The goal was achieved with a broad range of economic policy tools, from the taxation system to various sorts of economic practice regulations.

As to taxation, the national income is redistributed in favor of less prosperous strata in Japan with a progressive individual income tax scale and rather high rates of the inheritance tax. Rates of the individual income tax ranged from 10% for people with the smallest income to 37% for the wealthiest people before further differentiation from 5% to 40% in 2007.

There is a system of discount sand tax deductions for dependents, persons with disabilities, etc. The inheritance tax rate depends on the type and size of inheritance, and the recipients of largest inheritances (the lower limit is set for every type of inheritance) pay up to 50% of the value of the inherited assets to the government [Comprehensive Handbook… 2006, p. 27, 135].

In other words, inheritance tax rates in Japan are so high that third-generation heirs lose means of existence if they do nothing but spend their inheritance.

Judging by table 2, the social security system is the primary tool of redistribution of incomes. It currently includes three major elements: pensions, health insurance, and benefits for certain categories of citizens (elderly people,
persons with disabilities, single mothers, poor families with young children, etc.) Social security expenses amounted to 31% of the country’s national income in 2015, compared to 12.1% in 1980. In absolute terms, social security expenses grew from 24.8 trillion yens in 1980 to 116.8 trillion yens (about $1.1 trillion) in 2015, or 4.7 times. Expenses per capita have grown in practically the same proportion, from 212,000 yens in 1980 to 910,000 yen (approximately $ 9,000) in 2015 [Nihon tokei…, p. 663; Annual Health… 2015, p. 21]. Japan is one of the most developed countries by this indicator.

As to pensions, the pension system is comprehensive in Japan, in contrast to other developed countries (for instance, the United States, the United Kingdom, Germany, France, and Sweden), where only certain categories (mostly hired and self-employed people) are entitled to pensions. Back in 1961, the country passed a law on universal health and pension insurance, which ensured pension entitlements of citizens, who did not fall under the existent pension plans – kosei nenkin, welfare pensions (of private company employees), and kyosai kumiai, pensions of mutual aid associations (of public sector employees, and teachers of private and public schools).

Such categories as self-employed people, fishermen, farmers, unemployed people, students, and others have a special insurance system, the national pension (kokumin nenkin). In 1986, kokumin nenkin was supplemented with basic pension, kisho nenkin. Since then, all citizens older than 20 (including people insured by other pension systems) have been required to pay monthly contributions to the kokumin nenkin system (the contribution is the same for everyone), and the government guaranteed the entitlement of every citizen older than 65 to the basic pension [Lebedeva 2016 a].

The following facts prove that the national pension system helps redistribute incomes. Since 2009, the government has been subsidizing with central budget funds half of the expenditures on paying kisho nenkin (basic pension), the principal source of income in the old age for the poor (while the koshei nenkin and kyosai kumiai pensions are fully covered by contributions of the insured persons). The law fully or partially exempts certain categories of citizens from paying contributions (although they are still entitled to the pension).

The number of citizens belonging to these categories is rather large: almost 17% of all kokumin nenkin pension plan participants had those rights in 2012 [Social Security… 2014, p. 18].

The redistribution function of the health insurance pension is even bigger. Japan endorsed universal health insurance in 1961. There were two insurance plans: one provided at the place of employment or in accordance with one’s profession, and the other – at the place of residence via municipalities. The first plan included every hired employee and his or her family members.

The staff of private companies with more than five employees was insured by the Society Managed Health Insurance, while employees of small compa-
nies and temporary employees were insured by the state-run Japan Health Insurance Association. Public and municipal employees, teachers of private schools, and the teaching staff of private universities were insured by relevant mutual aid associations. The rest – farmers, self-employed, fishermen, foresters, unemployed, pensioners, and others – were covered by the other plan. All of them were included in the National Health Insurance system and were supposed to initiate their membership at the place of residence via municipalities [Annual Health… 2013/2014, p. 27]. The following mechanisms were applied to redistribute the burden and support the disadvantaged strata.

1. The income and financial position of insured persons determined the size of their contribution. Thus, in the case of corporate or professional insurance the rates range from 3% to 12%, depending on the income. Contributions to the National Health Insurance system consist of two parts: the fixed part, equal for all households, and the part, calculated by municipalities depending on the income, assets, and family composition, which makes it different from one household to another.

2. Funds are redistributed between various insurance systems because of the great difference of the contribution-to-indemnity ratio. The plans offering corporate or professional insurance are the most prosperous, because they apply to young and middle-aged people with relatively small medical needs. The National Health Insurance system is less fortunate: it covers many elderly people who need medical attendance more frequently, in addition to a rather high percentage (about 10%) of people with low incomes, including those fully or partially exempted from contributions. This is why the Elderly Health care Law was adopted in 1983 to cover those expenditures not only from the budget of the National Health Insurance system (engaging elderly citizens), but from the budgets of other, more prosperous systems too.

3. Solidarity support to disadvantaged strata. The amount of healthcare indemnities is equal for all health insurance systems (70%), but there are still some exceptions. Those exceptions apply to people older than 75 who pay 10% of the cost of medical services, and the poor enjoying various kinds of benefits. The most illustrative example of this principle is the funding of services of long-term care for the elderly. The Law on Insurance of Long-Term Care for the Elderly was adopted in 1997, and the system was implemented in 2000. Long-term care for the elderly is financed from several sources: 25% come from the central government, prefectures and municipalities contribute 12.5% each, 10% are paid by patients, and 40% are funded by contributions of citizens older than 40. The employed pay the rate of about 1.5 % of their salary and bonuses, and contributions of pensioners are deducted from their pensions by the local authorities [Social Security… 2014, p. 25].

Alongside taxation and social security, an important role in leveling incomes has been played by the government policy of support of particular industries and economic sectors.
The best example is the support of agriculture. Referring our readers to works by S.B. Markaryan [Markaryan 2010, as well as other works by this author], we should say the following. The system of guaranteed purchasing prices (calculated for a long time as the costs borne by the least efficient producers), the policy protecting the domestic market from external competitors, and a number of other measures not just preserved domestic agriculture, but also increased incomes of Japanese farmers and finally leveled urban and village living standards.

Support for small business was a special focus of the government’s economic policy. It covered practically every essential element of small companies’ activities. The government helped them rationalize production, start a business, implement new equipment and technologies, expand exports and imports, arrange personnel training, etc. It would not be an exaggeration to say that the policy allowed thousands of small and medium enterprises, whose existence would have otherwise ended amid tight competition, to stay in business and receive their share of fruit of the national economic development.

A significant part of administrative and legal rules, which Japan applied on a much bigger scope than the West as a form of state regulation, kept the market in check and protected the weak from destructive market forces. Here are a few examples. Before the financial Big Bang reform in 1998, the country was regulating the size of stock transaction commission. The idea was to prevent a decrease of the fee, which would have been unavoidable on a free market, and to ensure the survival of small and medium broker companies, which received 50–60% of their income as commission [Yaponiya 90-kh... 1998, p. 53–54].

Seeking to protect small and medium retailers, the Law on Large Department Stores and Supermarkets created so many impediments to the opening of a large store (the requirement of multiple permissions, approvals, etc.), that only a handful achieved the goal [Yaponiya: perevorachivaya... 1998, p. 74-75].

There was an interesting practice in the restaurant business, too. Business hours of big restaurants were administratively limited in the evening (for instance, they were compelled to close at 10 p.m. or 11 p.m.), and clients wishing to continue partying were “re-routed” to other establishments (cafes, bars, karaoke clubs, etc.). The purpose was to enable owners of those establishments use the result of the increased living standards (which, inter alia, manifest themselves with increased spending outside home) and get their share of the “pie.”

Clearly, the regulation of economic life, and support for and protection of certain industries and sectors reduced the overall economic efficiency, and increased production costs and prices. But in general this policy did not suppress incentives for business, and its social goals were close and clear to an absolute majority of the egalitarian-minded Japanese.
By the end of the 1980s, Japan ranked second amongst the world’s economic powers, joined the club of countries with the highest living standards, and created what a European expert in Japan called “a model of equality regarding outcome as well as chances.” [Chiavacci 2008, p. 13]. Yet the deep and protracted depression, which hit the Japanese economy in the early 1990s, unfavorable demographic changes, and the increased diversification of lifestyles and values of the Japanese, brought about significant changes in Japanese society. The social landscape, which used to be rather flat, entered a stage of rapid transformations, and the pace of social stratification by income and every other “lifestyle” parameter sped up. The main division line was drawn between hired employees: those with status of regular (permanent) employee and temporarily employed people. The number of temporarily employed people increased from 8.8 million to 19.8 million between 1990 and 2015, and their share in the total labor force grew from 20.2% to 37.4% [Labor Situation… 2015/2016, p. 44].

The composition of this category has also changed. In the past, it mostly comprised high school and university students, and housewives, who did not see their employment as the principal type of activity or the principal source of income. Now a substantial part of such people are youngsters, who failed to find permanent jobs, women seeking full-time jobs after their children have grown up, people dismissed because of old age or corporate reorganization, etc. Most of these people view their temporary jobs as the principal type of activity and the principal source of income. The increasing scope of temporary employment is a characteristic of many developed economies. Yet it has special significance for Japan: there is a big gap between permanent and temporary employees not just in terms of salary, career, and social guarantees, but also in terms of the social status, which is of paramount importance to the Japanese.

Judging by the Gini coefficient (table 1), social stratification enhanced a lot in the 1990s – 2000s in terms of the initial income (before the payment of taxes and social security contributions). But the government’s redistribution function has been enhanced too and practically negated the stratification effect. As to the stratification by status, the polls conducted by the Prime Minister’s Office show that the population has not noticed the change: more than 90% of the Japanese still describe themselves as the middle class.

In other words, Japan remains “middle-class society” and provides an absolute majority of its citizens with rather high living standards and an opportunity to enjoy every fruit of civilization. What is the meaning of living standards for modern Japan and what is going on in main spheres of the Japanese life?

**Main living standard indicators**

Of course, we should start with living conditions, as the home is a fundamental value of the human life. For a long period of time, Japan was far
behind Western countries in terms of quantity and quality of homes, mostly because of significant imbalances in population allocation during the rapid economic growth in the late 1950s – early 1970s. Japan managed to catch up by the late 1980s, at least in terms of quantity, and came close to the West European standards of the home size and the share of families living in houses of their own. An average home is now 93 square meters in size, with an average number of 4.56 rooms. About 62% of Japanese families live in private homes, which are 121 square meters large on the average and have 5.68 rooms. Importantly, the country is constantly renovating homes, about half of which were built after 1990.

The following indicators demonstrate the quality of homes: only 3.7 million of 52.1 million homes, or 7%, fail to meet housing standards, while an absolute majority of homes not just meet those standards but also exceed them. [Nihon tokei… 2017, tables 21-4, 21-5, 21-8]

Of course, a fairly large number of the Japanese are still living in homes which cannot be called comfortable. Most of them are residents of megalopolises whose homes (including private houses) are located near industrial enterprises, highways, and railroad lines, which naturally deteriorate the environment. Nonetheless, the targeted policy of the central and local authorities, such as strict environmental regulations, reconfiguration and renovation of transport and industrial infrastructure, and development of satellite towns and comfortable urban neighborhoods, is steadily resolving this problem. I should say that the natural politeness and tact of the Japanese spare residents of apartment buildings such problem, typical for Russia and many other countries, as noisy neighbors. This fact, and the cleanness of staircases, elevators, and lobbies maintained by joint efforts should also be taken into account in the assessment of living conditions of today's Japanese.

By the way, despite the common opinion that homes cost a fortune in Japan, the actual rent and utility charges are not so large and do not constitute the main expense of Japanese families. In 2015, an average Japanese family (3.17 family members with a monthly income of 543,000 yens) spent about 42,000 yens or 14% of total consumer expenses (roughly 300,000 yens per month) on the rent and public utilities. What is more, the loan-to-deposit ratio of the average Japanese also looks quite favorable, which disproves the opinion of a heavy financial burden of the mortgage loan. An average the deposit – to-loan ratio stands at 79:21 for men (8.7 million yens vs. 2.3 million yens), and 95:5 for women (13.1 million yens vs. 0.7 million yens). The Japanese are one of the richest people in the world: their financial and material assets average at 35.9 million yens per family ($ 326,000 at the current exchange rate) [Nihon tokei… 2017, tables 22-7, 22-13].

On the whole, the amount and structure of consumer expenses of Japanese households are quite comparable with those in other highly developed countries. Without going into details, we should mention such characteristic
feature of this group of countries as insignificant spending on food. The average Japanese family buys food with 22–23% of its consumer expenditures, which corresponds to the West European indicators, but practically twice exceeds the U.S. indicators.

In the past, specialists describing living standards in a particular country always mentioned such indicators as the availability of various electronic devices and household electronics. Now this may still be topical for the third world only. Speaking of Japan, it ranked one of the world’s first in terms of households’ provision with such goods as early as in the 1980s, and the consequent period saw the replacement of old models with newer ones, which would be more sophisticated and efficient. Most of those products are currently made abroad, primarily by Asian branches of Japanese companies, so their prices are quite affordable even for the poor.

To our opinion, cars and golf equipment deserve a mention as a demonstration of the material wealth of today’s Japanese.

There are 1.4 cars per family in Japan on the average, which corresponds to the indicators of the best developed European countries. We should note that practically all vehicles meant for the domestic market are customized and strictly comply with the client’s wishes for the car exterior and equipment. The high technical level and the perfect organization of the production process make sure that no more than two weeks pass from the moment a car order is placed to the moment the car is supplied to the buyer. The fleet of cars in Japan has a high degree of environmental friendliness. Approximately half of all new cars sold on the domestic market in recent years are “eco-friendly” vehicles powered by hybrid engines and running on bio-fuel, electric vehicles, and cars with clean diesel and gas engines. Regular gasoline-engine vehicles made in Japan meet the world’s highest eco-friendliness standards, not to mention their technical characteristics, and impeccable design.

As to the share of families which buy golf equipment, we have decided to use this somewhat specific indicator for the following reasons. First of all, golf is one of the most expensive sports (from the angle of equipment costs and club membership fees). Just 15–20 years ago, the game was affordable only to elites and manifested the high social status. Quite often, golf club membership cards were bought by companies for top managers to demonstrate the financial wellbeing and raising their prestige in the eyes of partners, and the games were a form of business contacts. We see the fact that practically half of families have golf equipment nowadays (452 in 1,000 families of two people more) [Nihon tokei… 2017, tables 22–11], as an illustrative example of high living standards in Japan and the actual existence of “middle-class society” in that country.

Japanese society can be considered one of the world’s most prosperous by some other parameters, too. For instance, family ties are more stable in Japan than in many Western countries. The number of registered marriages
in Japan is 5.3 per 1,000 people, which is quite comparable with the indicators of other developed countries (5.5 in the United States, 4.5 in the UK, 4.7 in Germany, and 5.0 in Scandinavia), but the percentage of divorces is smaller. There are 1.8 divorces per 1,000 people in Japan, compared to 2.9 in the United States, 2.1 in the UK, 2.2 in Germany, and 2.4 in Scandinavia [Nihon tokei… 2017, table 30–3].

As known, the traditional Japanese family, where the husband works, and the wife looks after children and does the housekeeping, has been criticized as an obstacle to raising the social status of the Japanese women and increasing their involvement in the country’s economic life. Yet things have been changing, and an increasing number of women married to well-paid men are looking for a job. In 2016 some 56.1% (46.8 % in 2002) of women married to men, who make over 10 million yens per year ($88,000), and 64.7% (55.0% in 2002) of women married to men with the yearly income from 5 million to 10 million yens ($ 44,000 to 88,000), were employed. Almost 55% of women said they wished to keep working after their children were born [Japan Today. 29 September 2017.].

We should add though that most of married Japanese women have temporary jobs. Over 60% of women aged from 25 to 29 (an average marriage age is around 30) have permanent jobs; the indicator is 55% for the category aged from 30 to 34, 49% amongst 35–39-year-olds, and 40–42% in the group aged from 40 to 59 [Annual Report on the Labour… 2015]. This means that many Japanese women leave their permanent jobs after their first child is born, and do not return to their former positions even after their children grow up. Without analyzing various aspects of the employment of Japanese women, we should say that this situation is favorable for raising children. Japanese children (and not just the youngest ones) can constantly communicate with their mothers, which is extremely important for their psychical and physical development.

Of course, whenever we speak of Japanese families, we have to notice the steady decline in the percentage of married young people, the increased marriage age, the higher age of giving birth to the first child, and the reduced fertility coefficient. Some 24% of Japanese women aged from 25 to 29 were not married in 1980, and the share of unmarried women stood at 9.1% in the group of 30–34-year-olds, and 5.5% of the 35–39-year-olds. The situation changed drastically: in 2015 the share of unmarried women reached 61.3% in the age group of 25–29, 34.6% in the age group of 30–34, and 23.9% in the age group of 35–39. The age of Japanese women getting married for the first time has also markedly grown, from 25.2 years in 1980 to 29.4 years in 2015, and the average age of giving birth to the first child is up, from 26.4 to 30.7 years. The dynamics is even more pronounced amongst men: in 1980, there were 55% of unmarried man in the age group of 25–29, 21% in the age group of 30–34, and 9% in the age group of 35–39. The indicators reached
72.7%, 47.1% and 35%, respectively, in 2015. As to the fertility indicator, it was only 1.45 in 2015 and ranked one of the lowest in the group of highly developed countries [Shyoshika shyakai…, p. 3, 10, 12, 20].

Speaking of problems in families and family relations, we should say that for the time being their socio-economic consequences have not damaged the generally favorable state of affairs, but serious problems may occur in the future.

Japan looks quite well from such an important angle as labor and employment. We should start with saying that practically all Japanese citizens who wish to work have a job. The country has always had one of the lowest unemployment rates amongst developed countries: the unemployment rates in Japan grew to levels, which were characteristic of developed countries in the periods of economic growth, when Japan was going periods of economic distress. As of August 2017, the country had 2.8% unemployment.

It does not have the problem of high unemployment rates amongst the young, which is painful for and typical of many Western countries. The rates amounted to 4.7% in the age group of 15–24, and 4.1% in the age group of 25–34 in summer 2017 [Monthly Results… 2018]. The Minimum Wage Law adopted in 1959 guarantees a decent salary for young people starting their career (about 200,000 yens a month for university graduates, and over 175,000 yens for vocational school graduates) [Nihon tokei…, tables 19–10].

Importantly, despite the variety of ongoing changes on the labor market, an absolute majority of men (85-90%), the principal breadwinners of Japanese families, still have permanent jobs until they reach the corporate age limit of 60. No doubt, the guarantee of employment comes with a price. Long working hours, short vacations, and extra hours are the Japanese reality, just like suicides triggered by emotional overload and karoshi (premature death caused by overwork). Nonetheless, the guarantee of long-term employment in the country with high living standards is a clearly unique phenomenon in modern capitalism, which favorably distinguishes Japan from other highly developed countries.

We can also mention low crime rates, good transport service, favorable environmental conditions (ensured by combined efforts of the government, citizens, and businessmen), clean Japanese cities, high levels of sanitary conditions and hygiene, impeccable service, politeness and well-wishing attitude of the Japanese towards one another, etc.

It is true that Japan, just like any other country, has many problems we are unable to mention in the article limited in space. Obviously, some categories of citizens find themselves in situations outside the stable and comfortable life (as of August 2016, about 23% of the Japanese were not quite happy, and 6% were completely unhappy with their life [Kokumin seikatsu… 2016, p. 2]).

Still, for an absolute majority of the Japanese population, Japan is a beautiful, prosperous, and safe country. This state of affairs is a crucial factor of
socio-political stability of Japanese society, and a token of its sustainable development.

References


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