

Comparing Quality of Life in Japan, U.S., Europe

by Hamano Takayoshi

The Japanese economy is mired in the doldrums these days. Consumer spending has been stagnant since the consumption tax was raised from 3% to 5% in April 1997. In the fall of that year, major bank and brokerage failures occurred one after another, triggering credit unrest. Going into this year, economic activity has flashed more conspicuous signs of slump. The government announced in June that Japan's gross domestic product (GDP) contracted 0.7% in fiscal 1997, which ended March 31, 1998. It marked the first negative growth in 23 years since the first oil crisis battered the energy-hungry nation in fiscal 1974. The unemployment rate climbed to the 4% level in April for the worst record ever and is expected to rise further later this year. The deterioration of Japan's fundamental economic yardsticks has sent the yen's value sinking in relation to the U.S. dollar. The Japanese currency fell to around ¥145 per dollar in mid-June. Then it seasawed wildly, bouncing back to the mid-¥130 level temporarily following concerted market intervention by the Japanese and U.S. monetary authorities, but slipping back later. The world's foreign exchange and stock markets are watching Japan's economic management with greater caution. No optimism is warranted about the nation's economic fate.

It is a far cry from the past spectacular economic development, dubbed a miracle of the world. Uncertainty has arisen over the economic foundation that so far underpinned the livelihood of the Japanese people.

The economic slump has some good effects, however. It has offered an opportunity to redress drawbacks peculiar to Japan such as rigid administrative regulations barring the free play of the market forces of supply and demand, delayed public disclosure of information by administrative bodies

and businesses, and priority on business interests rather than on consumers. These problems were often singled out before but Japan was slow to correct them. Economists say Japan will not be able to find a way out of the plight unless it improves these problem areas of its economy and thus acts on the basis of globally accepted standards.

What is particularly important in so doing is to place emphasis on consumer interests. It has been pointed out that consumers find it hard to benefit from economic development—whatever prosperity it may be on the whole—unless their interests are given priority. The view is gradually spreading among businesses that they will not survive the current slump in personal consumption if they fail to take account of what consumers really need. Consumers, for their part, have begun to seek improvement in the quality—rather than quantity—of their livelihood.

Gauge of quality of life

The quality of life may be judged quite differently depending on its yardsticks because it has diverse aspects and people have different senses of value. How to view the quality of life is very difficult but there is one example: an annual government survey of "People's Life Indicators" or PLI. The survey, taken every May by the Economic Planning Agency (EPA), covers eight areas of daily life such as residential conditions and spending in Japan's 47 prefectures (administrative regions). About 150 different types of data collected from the eight categories are put into figures based on certain calculating formulas so comparison is made with



Road system: immediate improvement required not only in metropolitan areas, but throughout country

ease.

The following is an attempt at multi-facet comparison of the quality of life in five major economic powers—Japan, the United States, Britain, France and Germany—on the basis of the above method. The EPA lists part of comparative living data in major countries in its PLI publication, but does not put such data into internationally comparable figures. The attempted comparison below is based on the EPA data plus relevant data collected from official sources such as World Bank and U.S. government statistics. A total of 60 types of data from among the five countries compared were collated according to the same eight categories as for the PLI—residential conditions, spending, work, child raising, medical care, leisure/amusement, learning, and social communication.

Japan ranked lowest

With the five-nation average at 50, the U.S. placed first with an overall rating of 51.64 points. France was second with 51.18, Germany third with 49.68, Britain fourth with 49.35, and Japan the tail-ender fifth with 48.10.

Japan was better than any other country in terms of spending and medical care. The high spending rank reflected

Japan's high level of income while the country scored more-than-average marks in several areas of the medical category such as the infant death rate. Japan was below the average in the six other categories, and ranked lowest among the five countries in four of them—residential conditions, work, leisure and learning. It is no wonder that Japan was the worst in the residential category in view of its widely known poor housing conditions, yet-to-be-improved road networks, and low level of sewerage use. The data in this and other categories give rise to the stark reality of how uncomfortable it is to live in Japan.

In the work category, Japan earned top ratings among the five countries in terms of the average wage and jobless rate. But it scored poor marks in other areas, including the number of annual paid holidays. Japan was rated low in particular because of women's low positions in the working community as seen in wage differences between men and women, the ratio of women workers and that of those in managerial posts.

In the leisure field, the five countries were compared on the basis of charges and prices of leisure such as overseas package tours, domestic hotel charges, golf course fees and concert ticket prices, as cited in other EPA surveys. The data clearly showed that these charges and prices are too high in Japan to enjoy the leisure activities available. The data on leisure charges and prices used in the survey were a little old, covering those in the early 1990s. With these fees tending to drop in recent years, the gap between Japan and the four other countries in this category may not possibly be as great as shown if new data are made available.

Data for the learning category are not necessarily sufficient for international

comparison. Japan was given a low rating in this sector largely because payments made by students to colleges and universities were extremely high and because the nation's other data in this area turned out to be no better than those of the other countries.

A look at the data of the four other countries shows that the U.S. fared extremely badly in the medical field, where its average life span is short, infant mortality high and medical care

national comparison is not precise because the method of collecting some data was different in one way or another according to the countries concerned and because some categories were compared on the basis of similar data when the same type of data was not available.

Age of quality rather than quantity

The international comparison has reminded Japan that the country needs to have some statistics available in other countries. An example is Britain's data indicating the quality of residences (whether they meet certain standards such as those on bedrooms). It appears necessary for Japan to compare residences in terms of their quality, not simply their space and other quantitative standards.

As for environmental issues, Britain has had for quite a long time regional data such as

the number of disputes over air and water pollution, and the conditions of the ozone layer according to regions. This may indicate great interest in environmental problems among European people. It is hoped that Japan will also make data available in such aspects along with a rise in public interest in environmental issues.

What is also important is moves in the European Union (EU) to adopt common standards on various statistics as it prepares to launch monetary union next year.

The U.S. and the European countries included in the comparison have seen their economies turn for the better. But their economic growth rates are traditionally low, with the unemployment rate high, especially in Europe. Yet these countries are better than Japan in



Prices soar: Japanese golfers pay exorbitant price to enjoy golf

bad compared with the other countries. Still it obtained the top rank on the whole as its ratings were generally high, marking the best scores in the three categories of residential conditions, leisure and social communication.

France chalked up a good score in its educational conditions ranging from kindergarten to high school, resulting in a high rating in the child-raising category. The country was balanced well as a whole, as shown in the octagonal chart comprising the eight categories.

Germany topped the five countries in terms of work, but scored roughly average ratings in the other categories. Britain marked a high rating in the learning sector but was the lowest in the spending and child-raising areas.

It should be noted that the above inter-

5 nations' indicators of "quality of life"



Britain



France



Japan



U.S.



Germany

the quality of life as compared in diverse aspects. In Japan, emphasis has been placed on economic affluence. Once people begin to feel themselves well off materially, they have started to seek "richness in mind," or a life worth living or spiritual satisfaction. They

have indeed begun to pursue the quality of life. It is of course important to improve the quantitative, economic satisfaction of life. But it is also vital to look into how to realize the quality of life sought by people, and paving the way for that goal will probably lead to

overcoming the current economic slump. **JJTI**

Hamano Takayoshi is a news commentator at NHK (Japan Broadcasting Corporation).