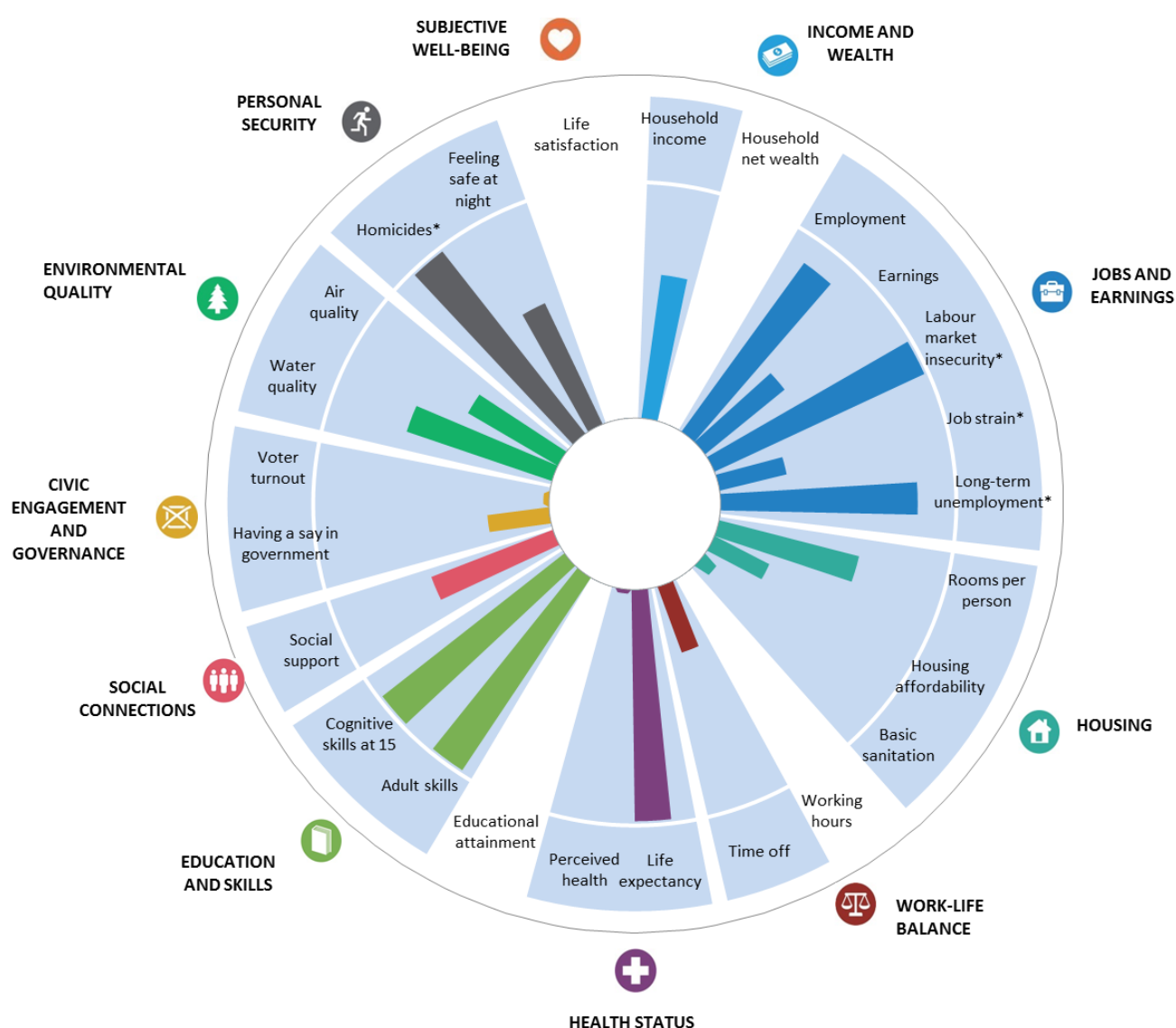


How's Life in Japan?

Relative to other OECD countries, Japan's average performance across the different well-being dimensions is mixed. At 74%, the **employment rate** is well above the OECD average of 67%, and Japan benefits from one of the lowest levels of **labour market insecurity** in the OECD. However, when compared to other OECD countries, **job strain** in Japan is high, and both average **earnings** and average **household net adjusted disposable income** were below the OECD average, in 2016 and in 2015, respectively. **Life expectancy** at birth (84 years) is the highest in the OECD, yet only 35% of people in Japan **perceive their health** as "good" or "very good", almost half of the OECD average (however, 49% of people in Japan report to be in "fair" health, which is a larger share than in most OECD countries). **Adults' skills** and the **cognitive skills** of 15-year-old students are among the highest in the OECD. By contrast, **voter turnout** and the percentage of adults who feel that they **have a say in what the government does** are in the bottom third of the OECD.

Japan's average level of current well-being: Comparative strengths and weaknesses














Note: This chart shows the Japan's relative strengths and weaknesses in well-being when compared with other OECD countries. For both positive and negative indicators (such as homicides, marked with an "*"), longer bars always indicate better outcomes (i.e. higher well-being), whereas shorter bars always indicate worse outcomes (i.e. lower well-being). If data are missing for any given indicator, the relevant segment of the circle is shaded in white.

Additional information, including the data used in this country note, can be found at:


www.oecd.org/statistics/Better-Life-Initiative-2017-country-notes-data.xlsx


Change in Japan's average well-being over the past 10 years

Dimension	Description	Change
 Income and wealth	Household net adjusted disposable income has risen steadily in real terms over the past decade, and is now 7% higher than in 2005.	↗
 Jobs and earnings	After falling from 2008 to 2009, the employment rate has risen steadily in recent years and is now 5 percentage points higher than in 2005. Real earnings have shown little sustained progress in the last 10 years, and in 2016 the level was close to that of 2005. Japan is among 5 OECD countries where labour market insecurity has improved over the past decade, and the long-term unemployment rate is now below its 2005 level – having fully recovered from the peak reached in 2010. The share of Japanese employees experiencing job strain has also fallen by 5 percentage points since 2005.	↗ ↔ ↗ ↗ ↗
 Housing conditions	The number of rooms per person has risen slightly since 2005, and is currently just above the OECD average. Housing has however become less affordable since 2005, with the share of household disposable income spent on housing costs up by 0.8 percentage points.	↗ ↘
 Work-life balance	[No time series data available]	..
 Health status	Life expectancy at birth has increased by almost 2 years since 2005, in line with the OECD average increase, despite starting from a high level. The percentage of adults reporting to be in “good” or “very good” health has remained relatively stable over the last 10 years.	↗ ↔
 Education and skills	[No time series data available]	..
 Social connections	The share of people having relatives or friends whom they can count on for help in case of need has fallen from 93% to 90% over the past decade.	↘
 Civic engagement	Voter turnout fell by almost 15 percentage points between the 2005 and the 2014 general elections in Japan.	↘
 Environmental quality	The percentage of Japanese people satisfied with their local water quality is currently 11 points higher than 10 years ago. Annual exposure to PM _{2.5} air pollution has improved, with a 10% decrease between 2005 and 2013.	↗ ↗
 Personal security	The rate of deaths due to assault has remained stable over the last 10 years. Over the same period, the share of people who report feeling safe when walking alone at night has increased from 63% to 71%.	↔ ↗
 Subjective well-being	People’s life satisfaction has fallen slightly in Japan during the last 10 years, from an average of 6.4 to 5.9 (measured on a 0-10 scale).	↘


Note: For each indicator in every dimension: ↗ refers to an improvement; ↔ indicates little or no change; and ↘ signals deterioration. This is based on a comparison of the starting year (2005 in most cases) and the latest available year (usually 2015 or 2016). The order of the arrows shown in column three corresponds to that of the indicators mentioned in column two.


Japan's resources and risks for future well-being: Illustrative indicators

 Natural capital		
Indicator	Tier	Change
Greenhouse gas emissions from domestic production	2	↗ 2005-2015
CO ₂ emissions from domestic consumption	2	↔ 2001-2011
Exposure to PM _{2.5} air pollution	2	↗ 2005-2013
Forest area	2	↔ 2005-2014
Renewable freshwater resources	2	.. Long-term annual avg
Freshwater abstractions	2	.. 2012
Threatened birds	1	.. Latest available
Threatened mammals	2	.. Latest available
Threatened plants	3	.. Latest available

 Economic capital		
Indicator	Tier	Change
Produced fixed assets	2	↗ 2005-2015
Gross fixed capital formation	3	↘ 2005-2015
Financial net worth of total economy	1	↗ 2005-2014
Intellectual property assets	1	↗ 2005-2015
Investment in R&D	1	↗ 2005-2015
Household debt	2	↔ 2005-2015
Financial net worth of government	3	↘ 2005-2016
Banking sector leverage	3	↘ 2005-2015
No data available on household net wealth.		

1	Top-performing OECD tier, latest available year
2	Middle-performing OECD tier, latest available year
3	Bottom-performing OECD tier, latest available year

 Human capital		
Indicator	Tier	Change
Educational expectancy	3	.. 2014
Cognitive skills at age 15	1	.. 2015
Adult skills	1	.. 2011/2012
Long-term unemployment	1	↗ 2005-2016
Life expectancy at birth	1	↗ 2005-2015
Smoking prevalence	2	↗ 2005-2015
Obesity prevalence	1	↔ 2005-2015
No data available on young adult educational attainment.		

 Social capital		
Indicator	Tier	Change
Trust in the national government	2	↗ 2005-2016
Voter turnout	3	↘ 2005-2014
Government stakeholder engagement	3	.. 2014
Volunteering through organisations	3	.. 2011/2012
No data available on trust in others and trust in the police.		

↗	Improving over time
↘	Worsening over time
↔	No change
..	No data available

HOW LARGE ARE WELL-BEING INEQUALITIES IN JAPAN?

What is inequality and how is it measured? Measuring inequality means trying to describe **how unevenly distributed** outcomes are in society. *How's Life? 2017* adopts several different approaches:

- Measures of “**vertical**” inequalities address how unequally outcomes are spread across all people in society – for example, by looking at the size of the gap between people at the bottom of the distribution and people at the top.
- Measures of “**horizontal**” inequalities focus on the gap between population groups defined by specific characteristics (such as men and women, young and old, people with higher and lower levels of education).
- Measures of “**deprivation**” report the share of people who live below a certain level of well-being (such as those who face income poverty or live in an overcrowded household).

The available indicators of **vertical inequality** in Japan show that the gaps between the top and the bottom ends of the population in earnings and skills are low, in comparison to other OECD countries. Income, however, is distributed unevenly across Japanese households, with those in the top 20% benefiting from a household income 6 times as high as those in the bottom 20%.

In Japan, the **gender gap** is often relatively wide, meaning that disparities between men and women are more pronounced than for the OECD on average. For instance, women earn on average almost 40% less than men, and they are three times more likely to be in low-paid jobs. Other areas with large gaps compared to other OECD countries include employment, voter turnout, and having a say in government. However, in a few well-being outcomes, such as time off, time spent socializing and social support, Japanese women are better off than men.

Age-related inequalities in Japan are mixed. In comparison to the middle aged, young people in Japan are at a comparatively large disadvantage in adult skills, voter turnout, having a say in government, satisfaction with water quality, and feelings of safety when walking alone at night. Nevertheless, age-related gaps in earnings and unemployment are narrower than in two-thirds of OECD countries.

When compared to those with a **tertiary education**, people in Japan with only a **secondary education** experience large disadvantages in perceived health, having a say in government, and feelings of safety. Furthermore, their children score 10% lower on tests of cognitive skills at age 15, relative to the children of those with a tertiary level of education. On the job market, however, the wage premium for attaining a tertiary level of education is not as large as in other countries.

Japan experiences mixed outcomes in terms of **deprivations**, with six indicators classified in the top (i.e. least deprived) third of OECD countries, and the same number falling into the bottom third. Areas where Japan performs relatively well include unemployment, with only 3.3% of the labour force not able to find a job, and skills. In contrast, the country records a high incidence of income poverty, poor health and weak support networks, among other negative outcomes.

Well-being inequalities in Japan

	Vertical inequality	Horizontal inequality by			Deprivation
		Gender	Age	Education	
		Women relative to men	Young relative to middle-aged	Secondary relative to tertiary	
Household income	●		●		●
Household net wealth	○		○	○	○
Earnings	●	●	●	●	
Low pay		●			●
Employment		●	●	○	
Unemployment		●	●	○	●
Housing affordability					●
Rooms per person					●
Life expectancy	○				
Perceived health		●	●	●	●
Working hours	○	○	○	○	○
Time off		●	●		
Educational attainment		○	○		○
Cognitive skills at 15	●	●		●	●
Adult skills	●	●	●	●	●
Time spent socialising		●	●		
Social support		●	●	●	●
Voter turnout		●	●	●	●
Having a say in government	●	●	●	●	●
Air quality					●
Water quality		●	●	●	●
Homicides		●			●
Feeling safe at night		●	●	●	●
Life satisfaction	○	○	○	○	●
Negative affect balance					●

Legend:

- top third of OECD countries
- middle third of OECD countries
- bottom third of OECD countries
- data gaps
- no measures

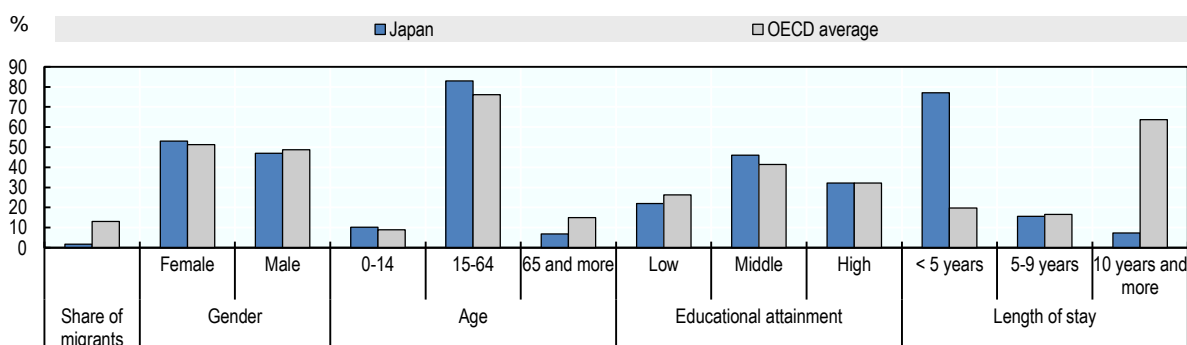
HOW'S LIFE FOR MIGRANTS IN JAPAN?

Migrants (defined as people living in a different country from the one in which they were born) represent an important share of the population in most OECD countries. Capturing information about their well-being is critical for gaining a fuller picture of how life is going, and whether it is going equally well for all members of society.

Who are migrants in Japan and the OECD?

As data on the foreign-born population are not available for Japan, information about Japanese migration is based on nationality. Only 2% of the total population do not have Japanese nationality. Amongst Japanese non-nationals, 53% are women (compared with 51% on average for the foreign-born in the OECD), and 83% are aged 15 to 64 years old (compared with 76% on average for foreign-born in the OECD). Japanese non-nationals are more likely to have a middle educational attainment than a low or a high level. Only 7% of Japanese non-nationals have lived in the country for 10 years or more (compared with an average of 64% of the foreign-born across the OECD).

Share of migrants in the total population and selected characteristics



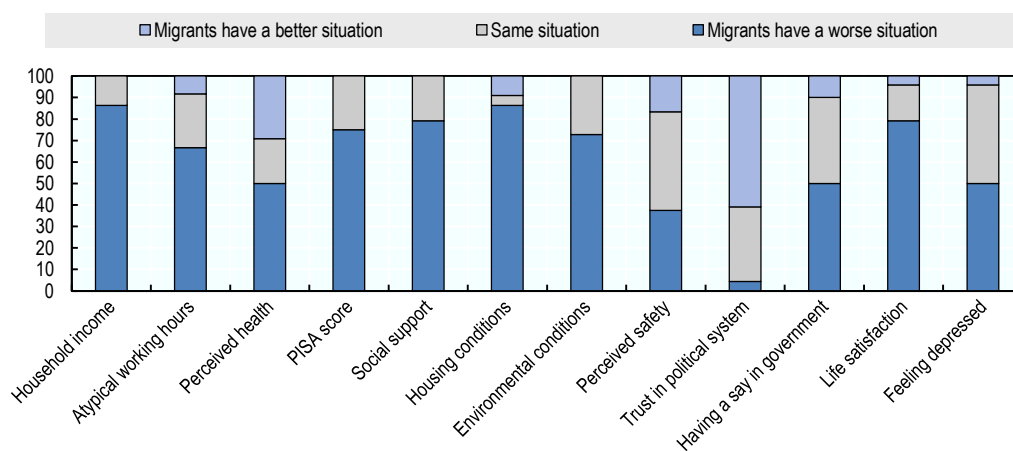
How is migrants' well-being in OECD countries?

While detailed information on migrants' well-being in Japan is not available, in a majority of OECD countries migrants have a worse situation than the native-born population for 10 out of 12 selected well-being indicators. Migrants in at least 75% of OECD countries report lower outcomes than the native-born population for household income, housing conditions, life satisfaction, social support and PISA performance,

Trust in the political system is the only indicator where migrants report having a better situation than the native-born for a majority of OECD countries.

Relative outcomes for migrants and the native-born population for selected well-being outcomes

Share of OECD countries, %



Note: Results are based on the analysis of the confidence intervals at 90%

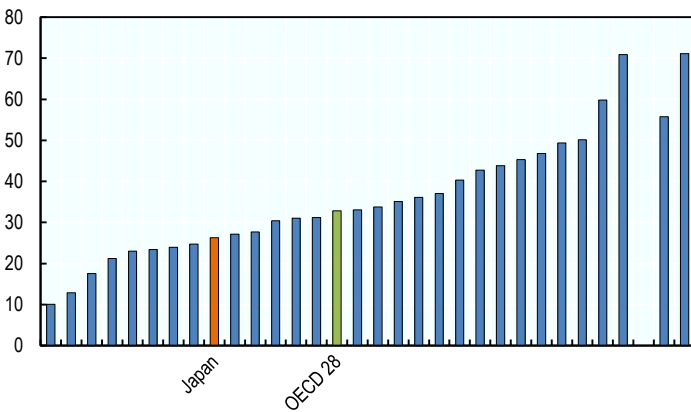
GOVERNANCE AND WELL-BEING IN JAPAN

Public institutions play an important role in well-being, both by guaranteeing that people's fundamental rights are protected, and by ensuring the provision of goods and services necessary for people to thrive and prosper. How people experience and engage with public institutions also matters: people's political voice, agency and representation are outcomes of value in their own right.

In Japan, 26% of the population feels that they have a say in what the government does, compared to an OECD average of 33%. In recent years, voter turnout has fallen from almost 68% in 2005, to nearly 53% in 2014. When asked about whether or not corruption is widespread across government, 59% of Japanese citizens answered "yes", as compared to an OECD average of 56%. Since around 2006, the share of people in the OECD who report that they have confidence in their national government has fallen from 42% to 38%.

Having a say in what the government does

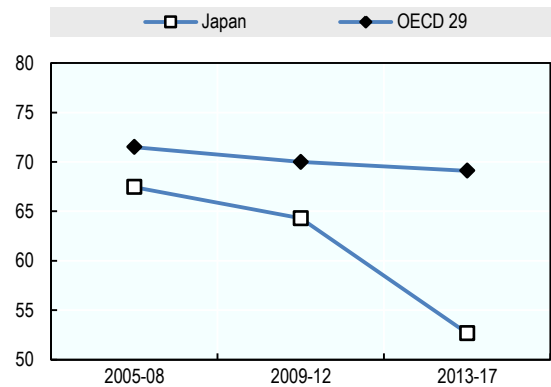
Percentage of people aged 16-65 who feel that they have a say in what the government does, around 2012



Source: OECD Survey of Adult Skills (PIAAC database)

Voter turnout

Percentage of votes cast among the population registered to vote



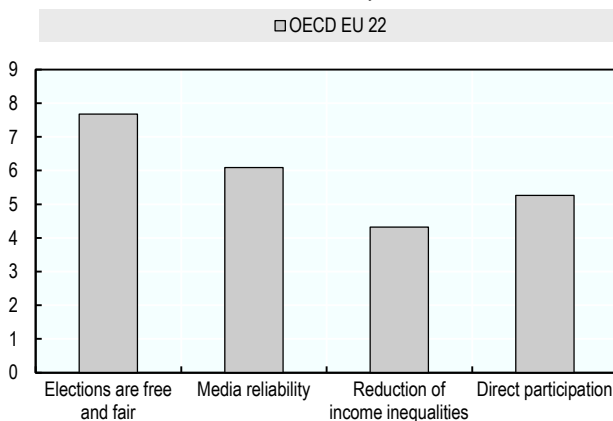
Note: Data refers to parliamentary elections. If more than one election took place over the time period indicated, the simple average voter turnout from all elections is shown. The OECD average sums elections that occurred over the time periods shown in 29 OECD countries.

Source: IDEA dataset

In the 22 European OECD countries where it can be assessed, satisfaction with democracy varies, depending on which aspect is considered. While Europeans tend to be reasonably satisfied with the way elections are held (7.7 on a 0-10 scale), they are relatively less satisfied with policies to reduce inequalities (4.3) or the existence of direct participation mechanisms at the local level (5.3). Europeans' satisfaction with public services varies according to whether people have used those services in the last year. For example, satisfaction with education is higher among those with direct recent experience (6.6 vs 6.2 on average), and this is also true of the health system (6.4 vs 6.2 on average). These data relate to 19 European countries only, and unfortunately no comparable data are available for Japan.

OECD EU average satisfaction with different elements of democracy

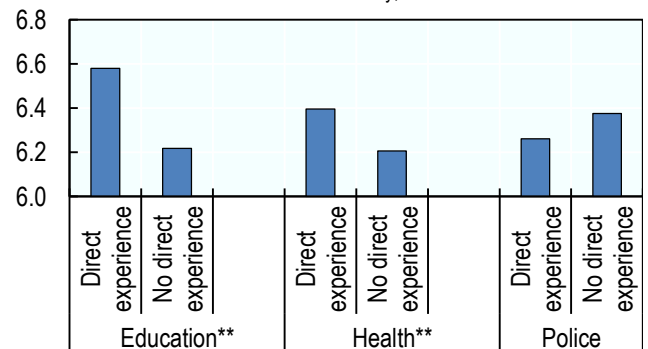
Mean score on a 0-10 scale, with higher scores indicating higher satisfaction with elements of democracy, 2012



Source: OECD calculations based on wave 6 of the European Social Survey (ESS), special rotating module on citizens' valuations of different elements of democracy

OECD EU average satisfaction with public services by direct experience

Mean score on a 0-10 scale, with higher scores indicating higher satisfaction with elements of democracy, 2013



Note: ** Difference is statistically significant at 95%

Source: OECD calculations based on the EU Quality of Government (QoG)

BETTER LIFE INDEX

The **Better Life Index** is an interactive web application that allows users to compare well-being across OECD countries and beyond on the basis of the set of well-being indicators used in *How's Life?*. Users chose what weight to give to each of the eleven dimensions shown below and then see how countries perform, based on their own personal priorities in life.

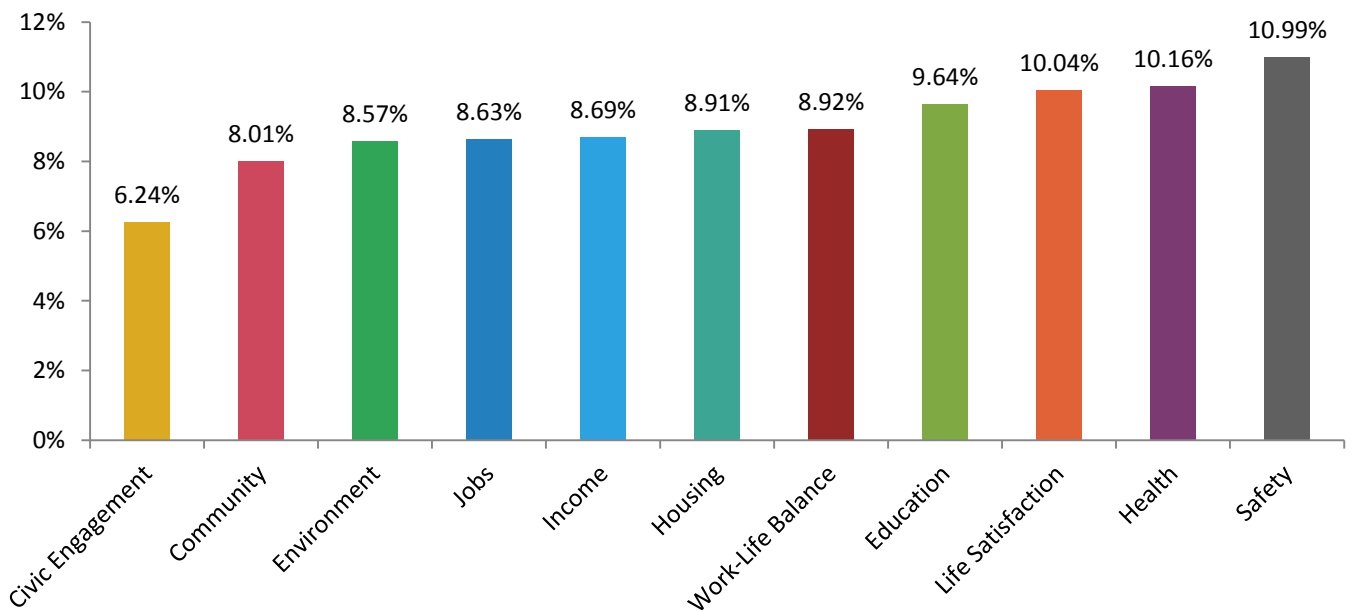


Users can also share their index with other people in their networks, as well as with the OECD. This allows the OECD to gather valuable information on the importance that users attach to various life dimensions, and how these preferences differ across countries and population groups.

WHAT MATTERS MOST TO PEOPLE IN JAPAN?

Since its launch in May 2011, the Better Life Index has attracted **over ten million visits from just about every country on the planet** and has received over **22 million page views**. To date, over 165,200 people in Japan have visited the website making Japan the 12th country overall in traffic to the website. The top areas are Tokyo (46%), Kanagawa Prefecture and Osaka Prefecture.

The following country findings reflect the ratings voluntarily shared with the OECD by 1,267 website visitors in Japan. Findings are only indicative and are not representative of the population at large. **For Japanese users of the Better Life Index, safety, health and life satisfaction are the three most important topics** (shown below).¹ Up-to-date information, including a breakdown of participants in each country by gender and age can be found here: www.oecdbetterlifeindex.org/responses/#JPN.



¹ User information for Japan is based on shared indexes submitted between May 2011 and September 2017.

The **OECD Better Life Initiative**, launched in 2011, focuses on the aspects of life that matter the most to people and that shape the quality of their lives. The Initiative comprises a set of regularly updated well-being indicators and an in-depth analysis of specific topics, published in the *How's Life?* report. It also includes an interactive web application, the *Better Life Index*, and a number of *methodological and research projects* to improve the information base available to understand well-being levels, trends and their drivers.

The OECD Better Life Initiative:

- Helps to inform policy making to improve quality of life.
- Connects policies to people's lives.
- Generates support for needed policy measures.
- Improves civic engagement by encouraging the public to create their own *Better Life Index* and share their preferences about what matters most for well-being
- Empowers the public by improving their understanding of policy-making.

This note presents **selected findings for Japan from the *How's Life? 2017* report** (pages 1-6) and shows what **Japanese users of the Better Life Index** are telling us about their **well-being priorities** (page 7).

HOW'S LIFE?



How's Life?, published every two years, provides a comprehensive picture of well-being in OECD and selected partner countries by bringing together an internationally comparable set of well-being indicators. It considers eleven dimensions of current well-being including: income and wealth; jobs and earnings; housing; health status; work-life balance; education and skills; social connections; civic engagement and governance; environmental quality; personal security; and subjective well-being. It also looks at four types of resources that help to sustain well-being over time: natural, human, economic and social capital.

The *How's Life? 2017* report presents the latest data on well-being in OECD and partner countries, including how lives have changed since 2005. It includes a special focus on inequalities, the well-being of migrants in OECD countries, and the issue of governance – particularly how people experience and engage with public institutions. To read more, visit: www.oecd.org/howslife.

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