Proposal for Social Well-being Studies in Asia: A Challenge beyond GDP

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Abstract
Social sciences have a mission to respond to social requests to treat problems and make policies for resolving them. If well-being, which is of subjective nature for individuals, is viewed at societal level, required measures could be worked out. For this, we need surveys to define the social well-being of people and subjective well-being through qualitative and quantitative approaches. Since the mid-twentieth century, GDP has been accepted worldwide as an effective measure for evaluating social and economic situations and performances. Although, it is a convenient measure even for global comparisons, it is a very narrow index for evaluating social well-being. Since 2009, we have conducted common surveys in eight Asian countries to analyze the national character of these regions. Although, several worldwide surveys have been since 2000, most of them were managed by Western organizations. Some surveys need to be conducted in Asian regions to identify their uniqueness and compare it with global standards. A research consortium, comprising organizations and universities from eight Asian countries and regions, was formed in 2014. It has planned to conduct the next common survey in Asian regions to find subjective and social well-being through field-work which can be a useful reference for formulating policies.

Keywords:
well-being, social, Asia, GDP/GNP, survey

As a Societal Existence
A human being does not live by himself but, historically and contemporarily, lives as a part of family, community, group, institution, state, and world. Thus, he or she leads a societal existence. What is his behavioral norm? If it is individualism, his behavior is decided by his own values. If the response is collectivism, each member is included by surroundings and, hence, his independence remains at a minimal level. This paper adopts a moderate approach between the two extremes; that is, each member has power, which he or she can independently decide. However, the realm is restricted, which is socially bound freedom of behavior.

The acknowledgment and valuation of individuals’ situations depend on their deep internal psychology. Their evaluation of well-being or happiness is based on their individual system of values. But well-being is not static; it fluctuates, influenced by outside conditions. Even the same elements are accepted as positive in some cases and negative in others. In this paper, we have not adopted the homo oeconomicus hypothesis.

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which is very common in the standard economics. Individuals assume to behave consistently to maximize their usefulness in different circumstances. They might change their evaluation codes in the process of aging, experience, and economic situations. Moreover, they might act to change their surroundings and react passively to outside circumstances.

As each member’s individual evaluation relates to outside societal elements, social sciences, which are concerned with policy-making, must estimate how outer conditions affect individuals’ evaluation and decision. In this paper, social well-being is not treated as a value-related commonly shared entity, but a conceptual framework in which some social conditions affect individuals’ well-being or happiness with respect to some relationships or causalities. Thus, social elements, in which many people perceive well-being or happiness, are identified as socially well-being so that they can be promoted from a viewpoint of socially well-being. However, we will not step further to form the person’s individual well-being based on his state of socially well-being from any specific viewpoint.

ECONOMIC APPROACH

Welfare Economics

Welfare economics, established by Pigou (1920), introduced the standard method, in which three propositions were adopted to enhance the national welfare, *ceteris paribus* (other things being equal). The economic welfare of a community of the given volume is likely to be greater as larger the volume of the National Dividend, the larger is the absolute share of that Dividend that accrues to the poor, and smaller is the variability of the National Dividend\(^1\) (Pigou 1920). The National Dividend as defined by Pigou (1920) is equivalent to the National Income of the mid-twentieth century, and the Gross National Product (GDP) as defined in the recent literature.

Pigou’s propositions signify the validity and necessity of the policy, in which the increase in GDP is considered first and then the performance is redistributed. This clear and practical framework has succeeded the “Cool head but warm heart” approach of Alfred Marshall who was the leading British economist of the late nineteenth century and Pigou’s teacher. In Pigou’s logic, the GDP index has widely been accepted as the most essential and useful measure to deal with the macroeconomic policy in aggregate variables. Furthermore, as the welfare state policy was adopted in advanced Western countries in the mid-twentieth century, the GDP index was established firmly. After the United Nations defined the basic rule of the System of National Accounts (SNA) in 1953, the basic statistics of GDP index were developed by many countries in the world.

The Prevalence and Problems of GDP Index

Although GDP/GNP index was refined and adopted by advanced Western countries in the early twentieth century, the prototype was the quantitative management and coordination of demand and supply of military resources such as iron, coal, and oil during wars. Therefore, in a planned economy, since the Russian Revolution in 1917, it was necessary to control and manage the economy. That was true even in market economies and capitalism such as the economies in the West. At that time, the East and the West had to manage their state economies based on data with a similar precision to overcome the wartime difficulties (Coyle 2014; Karabell 2014). But in peacetime, the coordination of goods and materials, which had functioned awkwardly under controlled economies, hindered from grasping and tuning the tendency of demand, especially on the consumer side. This is the reality of theoretical and practical fallacies of the planned economy (Pigou 1937; Lange 1945).

In the process of recovery after World War II, the importance of GDP/GNP index enhanced from the viewpoint of making and evaluating policies because it included the information to command the macro
The GDP/GNP index has been very useful and convenient as macroeconomic variable despite the fallacies of collecting and aggregating data. As it has been collected for a long run and can compare internationally and easily, its social acknowledgment and convenience are rather high in terms of making evaluation and accomplishment of policies. But even if the rigidity of the data is improved, the increment of the GDP/GNP index, namely the economic growth, does not signify the increase in each individual’s income. As GDP/GNP index is expressed in the aggregate of macroeconomic variables, the tendency of each individual’s inconsistent fluctuation, either increasing or decreasing, would be cancelled out on the whole. Moreover, it would be strictly fragile that how each individual recognizes such a change in economic situation. Pigou’s first proposition probably estimates “the increase in the National Dividend has the tendency of the increase in economic welfare.”

Are there any statistics and data which could reveal the intention of an individual and organization? In Japan, in 2019, the government collected 56 basic statistics. Even 50 statistics, which are directly collected from respondents, reply only to questions with a grade or frequency. The evaluators and analysts must read the respondents’ minds from their replies. It is difficult to estimate six additional statistics.

That is why survey questionnaires should be conducted. A survey, based on individual information, could bring out people’s inner feelings, which is not possible through the macro statistics. The companies disclose information through Annual Securities Reports (ASRs) or Economic Trend Indices. These micro data would be a complement to the macro data.

The meso data plays a vital role (Ng 1986). At an individual level, the opinions expressed through companies, organizations, and communities are enrolled. The companies could declare their objectives or ideas through business circles. The agents acknowledged as societal existence are likely to have these channels with a view to profess to public. This meso information is the glue to connect the macro and the micro ones.

Concerning the data collection at macro, micro, and meso levels, the
government or official statistics have already been collected widely. But the micro data are rather minute information. In addition, they are mostly collected on the company basis so openness to the outside world is not expected in them. It is for social importance that this survey is conducted and its findings will be presented before public so that they can be useful in developing policies after the academic research.

LOOKING FOR NEW SOCIETAL INDEX

Net National Welfare (NNW)

GDP/GNP index had some fundamental limitations at the start of constructing and measuring data. As GDP/GNP index is measured by the summation of the value added to a domestic or national economy for a year, the household economy and external economy/diseconomy are not included for their non-market transactions (Mishan 1969). In Japan, in the 1960s and 1970s, when urban and air pollution problems had appeared, most private companies were criticized for not bearing the appropriate burden of social cost. Furthermore, Japan had been criticized for pursuing a high-burden and high-welfare state policy, which had already been introduced in advanced Western countries, especially in Nordic countries.

Nordhaus and Tobin (1972) proposed a new index, called the Measure of Economic Welfare (MEW), which was beyond the GDP/GNP index. The concept was based on the idea that GDP is not the index of consumption or the final goal of economic behavior but was an index of production and intermediate measure of the economic activity. Therefore it was revised on three counts. First, the final consumption expenditure of GDP was reclassified into consumption, investment, and intermediate goods so that MEW should only include consumption expenditure directly attributed to welfare. Second, both the durable consumption goods benefited to the welfare, and the imputed value (addition) of leisure and household labor should be estimated in MEW. Third, the imputed value (subtraction) of deterioration caused by urbanization should be estimated in MEW. Based on this analysis, the Japanese government’s Economic Council (1973) published the report New National Welfare (NNW). Almost at the same time the United Nations launched a new measurement and plan for welfare in order to enhance the quality of life (Drewnowski 1974).

Although the process of developing such new welfare index beyond GDP/GNP had started in the 1970’s (Easterlin 1974; Scitovsky 1976), the progress had not been smooth. One reason for this might be that large upward surge in oil prices and stagflation prevented the long-time perspective like new macro index. Recently, the new international challenge has been attacked by Managi (2019)’s “Wealth of Nations and Regions,” which includes climate change, inclusive growth, and sustainability.

Worldwide Surveys

World Values Survey

The World Values Survey (WVS), started in 1981 as European Values Study (EVS), was founded at the Tilburg University in the Netherlands under the aegis of Jan Kerkhofs and Ruud de Moor. It was designed to test the hypothesis that economic and technological changes are transforming the basic values and motivations of people in industrialized societies. The 1981 study was largely limited to developed societies, but the interest in this project spread so widely that surveys were carried out in more than twenty countries, located on all six inhabited continents. Ronald Inglehart of the University of Michigan played a leading role in extending these surveys to be carried out in countries around the world. Today the network includes hundreds of social scientists from more than 100 countries (World Values Survey HP).

Each survey was designed and conducted every five years as a wave. The first wave happened during 1981–1984, which included 20 participating countries. The number of the participating countries
in the second wave (1989–1993) was 42; 52 counties participated in the third wave (1994–1998); 67 countries in the fourth wave (1999–2004); 54 countries in the fifth wave (2005–2008); 60 countries in the sixth wave (2010–2012); and 80 countries participated in the seventh wave (2017–2019). It is surprising that such large-scale surveys have been conducted continuously for 40 years. As surrounding social situations have changed so heavily during these 40 years, the content of the questionnaire has naturally been revised. However, these surveys are unique and advanced in many aspects such as the openness of data, the stock of reference analyses by many researchers, and so on. Therefore, they would serve as a worldwide standard reference for design, management, conduct, follow-ups, and information.

OECD’s Better Life Initiative.
The Organization for Economic and Cooperation and Development (OECD) introduced the “Better Life Initiative” project in 2011. It did not represent the economic aspect as a single index like GDP/GNP but focused on various aspects of daily life related to the quality of life. More precisely, the “Better Life Index” consisted of 11 elements: income and wealth, employment and revenue, housing, balance of work and life, health condition, education and skill, social ties, civil life and governance, quality of environment, individual safety, and subjective happiness. The report “How’s Life,” first published in 2005, and published every two years since then, divides the resources of sustained and long-run better life, namely happiness, into natural capital, economic capital, human capital, and social capital. This data and analysis cover not only OECD countries but also a limited number of non-OECD countries.

The World Happiness Report is brought out by The United Nation’s Sustainable Development Solutions Network. The first such report was published in Helliwell, Layard and Sachs (2012), and since then it is published every year.

The happiness in this survey is based on the Gallup, which was conducted on individuals in more than 150 countries. The average response (0–10) of individuals in each country and area is subjective. The independent variables of regression include: (1) GDP per capita, (2) social assistance, (3) healthy life, (4) freedom of life selection, (5) tolerance, and (6) acknowledgment of corruption. By regressing, the contribution of these variables to happiness is estimated. The higher ranked countries based on this measurement are Denmark, Switzerland, and Iceland. The lowest ranked countries are Burundi, Syria, and Togo. Japan and South Korea are ranked in the top one-third in the ranking list. The selection of independent variables and the result of regression are rather appropriate. As problems and essential policies in each country are distinct and easily compatible, the data would be convenient to use for policy makers of the government in each country.

United Nations’ MDGs and SDGs
The report Millennium Development Goals (MDGs) program was started by the United Nations in 2001. It was combined with the UN millennium declaration in 2000 and the International Development Goals of international congresses and summits in the 1990’s. It was especially targeted for development goals of underdeveloped countries and had set eight goals and 21 targets for achievement by 2015. For 15 years, MDGs have performed well, but some issues have remained unresolved. Moreover, in view of the change in the international environment the emergence of new issues, such as environment pollution, climate change, and expansion of disparities, new measurements are expected.

The Sustainable Development Goals (SDGs) program was unanimously adopted in the United Nations Summit in September 2015. It included 17 comprehensive goals and 169 targets to be achieved by 2030 as development goals for the world, including
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the advanced countries. In summary, concerning human beings’ safety and security, its goal was set to tackle comprehensively the broad issues of economy, society, and environment, to realize the society of “No One Left Alone.” It also emphasized to stress the role of everyone concerned—advanced countries, underdeveloped countries, private companies, NGOs, and so on—to reinforce the implementation measures for sustainable development and to activate the global partnership.

THE AGE OF ASIA

Is Asia Different from Europe and America?

It is frequently said that Asia in earlier times had remained mired in stagnation, depression, and poverty (Myrdal 1968). But there existed ages when India and China lived in their prosperity (Maddison 2007). Some historical borderlines brought a change in the world and Europe invaded to colonialize Africa, America, and Asia. In other words, the “Age of Discovery,” “Age of Exploration,” or “Age of Great Voyages” occurred in the mid-fifteenth to mid-seventeenth century. As a result, the world’s wealth rushed to Europe; the industrialization started; and the modern civilization appeared (Phelps 2013). But it was the beginning of the stagnation of Asia. Looking back, some historical points might be divergent. Some accidental selections or decisions at turning points caused big differences or disparities. A historical selection pointed by Pomeranz (2000) fixes the afterword path estimated by North (1990). In the past, it was difficult to identify when and how everything happened. But from contemporary events, we can infer the timing or chance when and how Asia emerged.

The fundamental turning point was the end of World War II. After all, WW II was regarded an Asian challenge against the colonial regime of Western countries. Japan was the last colonial country that followed Western powers, but after the collapse of the intention and war, the colonialism itself collapsed in the whole Asia. Since the late 1940’s, local nationalists became political leaders, gripped the national popularity, and succeeded in realizing independence. The peak came at the First Bandung Conference in 1955, which was held in Indonesia, and the core members were Indian Prime Minister Jawaharlal Nehru, Indonesian President Sukarno, Chinese Prime Minister Zhou Enlai, and Egyptian President Nasser. The new ideas at the meet expressed non-imperialism, non-colonialism, and national self-determination by 29 participating countries.

After 10 to 20 years, these political independent countries and their political leaders pursued economic development for enhancing their outcome and maintaining people’s support. Almost at the same time, the economic development and growth began to be the goals of most Asian countries and regions. It was not surprising that frontrunners were South Korea and Taiwan, which were in the Western camp. These areas were in a dead heat in the world; thus, to empower them meant not only an Asian strategy but also putting pressure on East Europe. In addition, traditionally these regions had challenging spirits, originalities of ideas dared, and devotion to family and organization. Hence, they could utilize this rare chance. This development policy spread also to other South East Asian countries. Even the communist country China steered for economic development and growth policy after Deng Xiaoping’s “Reform and Opening-up” announcement in 1978, and climbed to number two position in terms of economic power in the world by 2010.

Economic Prosperity in Asia and Political Coalition in Europe

After the Fall of Berlin Wall in 1989, Asia brought forth economic prosperity and Europe performed political unity. The difference between Asia and Europe can be summed up as follows: In Asia, cultural diversity and flexible inclusiveness from the outside have traditionally been accepted. The economic progressiveness of several
generations has been kept as an outcome of its “family first” convention and leaning toward Confucianism. This background explains why psychological rationalization and the desire for economic prosperity could coexist in this part of the world.

On the contrary, in each European country, politically independent but under Christianity, has always intended for political cooperation, and mutual communication for such network has been constructed and maintained for a long time. Many institutions, organizations, and arrangements for the European Union (EU) have sometimes been ridiculed as block works, but they seem to be Tempo de la Sagrada Familia, designed by Gaudi and under construction. The people in Europe might find their existent meaning in devoting themselves to such strained and permanent activities. Following the discussions and debates on Brexit in the UK after 2016, both the UK and EU have not thrown the concept aside on the way, but searched for a solution till the very last minute. These situations seem to be probable responses, as they might be aware themselves, that the process itself is important.

The Problems in Asia

Asia after the 1980’s, developed economically, not only has shared a big portion of the world economy but has also been the driving force. That is why it has been referred to as the “Emerging Asia” or “The age of Asia”. The production footholds in Asia have been graded up from a Global Supply Chain (GSC) to a Global Value Chain (GVC). Especially China has started the economic development in the rural industry of the coast, and rushed to the competition of economic development in the whole inland, and then expanded the sea lane in the South China Sea with forced military power. But as in most countries, these urgent economic developments have brought various social conflicts within domestic areas both in China and in the whole Asia (Mahbubani 2008; Shambaugh 2013)

Most Asian countries and regions have suffered from the maladies caused by the excessive urbanization and dense population, the shortage of housing, the piles of garbage, the deterioration of water, the decrease in natural environment’s capability loaded by exhaust gas, and the disparity between the urban and the rural, which have been typical problems encountered in the general economic growth. Japan, which also experienced similar conditions, however, has tried to quell and minimize problems either by finding measures to overcome or by making laws or rules at national or local levels. Therefore, Japan might be of some reference for the present Asia. Although Japan had gotten over the lack of infrastructure in the 1970’s and the 1980’s, presently it is struggling with the aging society and low economic growth in the early twenty-first century. As a result, new problems like labor/unemployment, the sustainability of social security system, childcare and rearing, housing, the maintenance of extended infrastructure, have been piling up. In other Asian countries and regions, these problems have not yet appeared together, but they are emerging g partially and separately.

The most remarkable problem in Japan is the aging society. The contemporary Asia is rather a young society, compared with Europe and Japan. But Asian societies are gradually aging because of the improvement in the sanitary system, nutrition, and economic conditions. On many issues, the society should deal with them and finance the funds, which are not easy matters. In that sense, Nordic countries and Japan, had started earlier to transform into welfare states, but there remain several unresolved issues, and this could be a good reference for young Asian countries and regions.

IN SUMMARY

The social well-being, as defined at the Center for Social Well-being Studies, Senshu University, is meant by inquiring how individual well-being is affected by social elements. In other words, the social well-being corresponds with situations, affecting individual well-being. Although elements and
structures vary depending on country, area, and age, it would be necessary information for policy makers and evaluators to know the present conditions of the social well-being.

The Center for Social Capital Studies and the Center for Social Well-being Studies, both managed by Senshu University during 2009–2013 and 2014–2018, have conducted surveys for investigating the social well-being, lifestyle, and values in eight Asian countries and regions, so that they would be able to form a research consortium in Asia. The survey data have been collected and published for public by Seoul National University Asia Center as Social Well-Being Survey in Asia (SoWSA) in November 2019. We hope this activity would continue in future, so that it could be one of the academic properties and help in deriving some policy implications in each country of Asia.

Notes
1. This third proposition which was dealt by Pigou in his 1920 book was omitted from the second edition of the book published in 1924.
3. Myrdal (1968) was one of the typical examples, which were prescribed for breaking through the bottlenecks.
4. Phelps (2013) pointed out that an independent individual was necessitated in order to succeed in the modernization of economy. He examined that modernization could not start where there was shortage of such able persons’ stock, for example, in Asia until the nineteenth century.
5. The historical Italian case adopted by Putnam (1993), in which the difference between the North and the South come from the Norman Conquest in the eleventh century, might be a good example.
6. The Republic of China (Taiwan), North-South Korea, and Mongolia were not invited in the conference. The second one was not held.
7. Similarly in Europe, after the Fall of Berlin Wall in 1989, the EU was formally established when the Maastricht Treaty came into force on 1993. It provided the existence as well as the political and economic independency. But in terms of the economic development and growth, the EU seems to be outdone by Asia.

References


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