

The Biannual Data Book on the Japanese People 1996 – 2006
Bird's-eye Analysis

The Debut of
Sei-katsu-sha 2.0

People Laying the Groundwork for the Future

HAKUHODO Inc. Institute of Life & Living

While Japanese *sei-katsu-sha* are more up-beat on account of the up-turn in the economy, they continue to be uneasy and yearn for greater stability in the face of ongoing change in the country. To cope with continuous transitions and societal change, Japanese are preparing for the future by **consolidating three areas and rebuilding three areas**.

At HILL, we see *sei-katsu-sha* as **people laying the groundwork for the future**. The new type of individuals that are emerging — people who are capable of seizing the initiative and acting for him- or herself — we describe them as ***Sei-katsu-sha 2.0***.

[1] Continuing unease and desire for stability

[2] Consolidating 3 areas:

- (1) Rediscovering Japan
- (2) Men and women struggling together
- (3) Working steadily

[3] Rebuilding 3 areas:

- (1) Enhancing “information lives”
- (2) Cultivating consumer judgment
- (3) Preemptively investing in the future



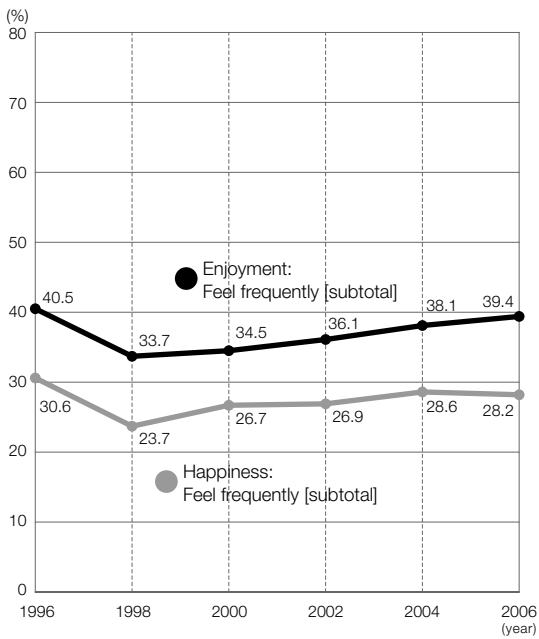
Sei-katsu-sha 2.0

People Laying the Groundwork for the Future

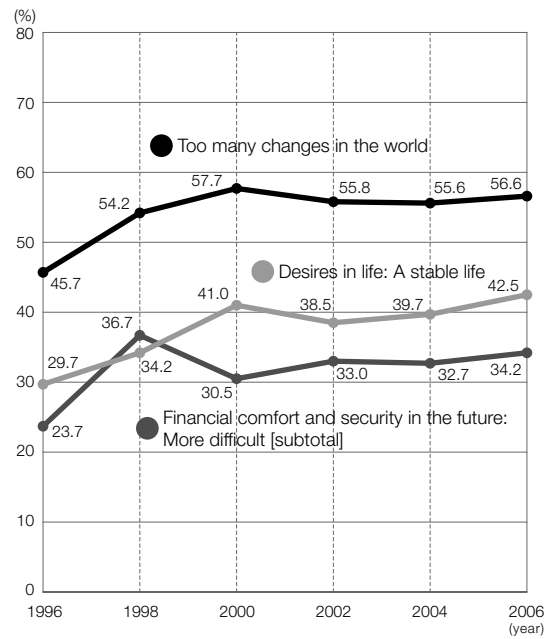
[1] Continuing unease and desire for stability

As Japan's economy recovers, people's optimism — their sense that there is much happiness and enjoyment around them — is also returning (Graph 1). *Sei-katsu-sha* still have doubts about the future, however, for they fear it will become ever more of a struggle to make ends meet. They evidently feel that continuous transitions and societal change are bringing excessive change, and they want to be ready for what lies ahead. Hence the desire for a stable livelihood continues to rise (Graph 2). To ensure a stable livelihood and gird themselves for a further onslaught of change, people have started to prepare for the future by consolidating three areas and rebuilding three areas.

Graph 1
Feelings of well-being on the rise



Graph 2
Difficult times ahead / Desire for stability



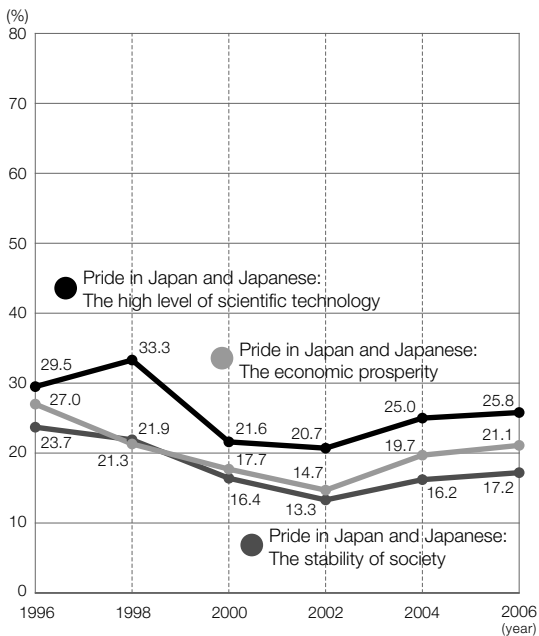
[2] Consolidating 3 areas

To better prepare themselves for whatever the present and future may bring, Japanese *sei-katsu-sha* are securing their footing in three ways.

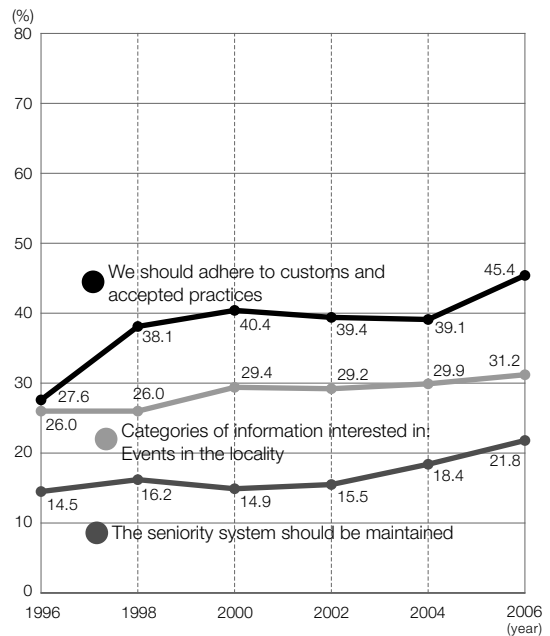
(1) Rediscovering Japan

As the economy recovers, so does pride in Japan and Japanese (Graph 3). By the experiences of having emerged from the Lost Decade and the havoc wrought by wave after wave of restructuring, *sei-katsu-sha* are rediscovering their own country. They are trying to apply to their own lives the ideas and institutions that are part of their Japanese heritage; developing a renewed awareness of the good things about Japan, like respect for social norms and the virtues of the seniority system; and exhibiting an increasing interest in local affairs (Graph 4).

Graph 3
Recovering self-respect



Graph 4
Learning from history / Rethinking the locality



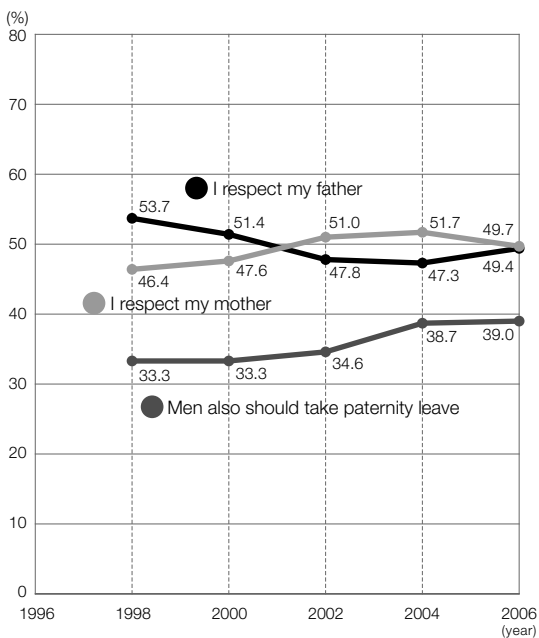
(2) Men and women struggling together

Sei-katsu-sha increasingly acknowledge that equality between the sexes is progressing in education, the law, and throughout Japanese society. Thus whereas mothers once enjoyed more respect than fathers, today both parents are virtually tied; and the number of people who think that men should take paternity leave is on the rise. A picture emerges of men and women working together to prepare for and take on the challenges of the future (Graph 5).

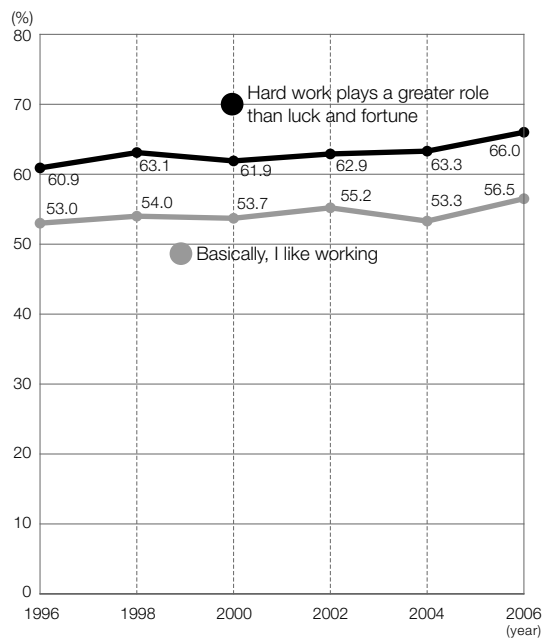
(3) Working steadily

It's true: the Japanese love to work. They have a noticeable tendency to strive away diligently in pursuit of their dreams and goals. They see value in being a steady worker. On this front too the rediscovery of things Japanese is progressing as people make a fresh start in the game of life (Graph 6).

Graph 5
Equal rights for parents / Childcare together



Graph 6
Steady-workers



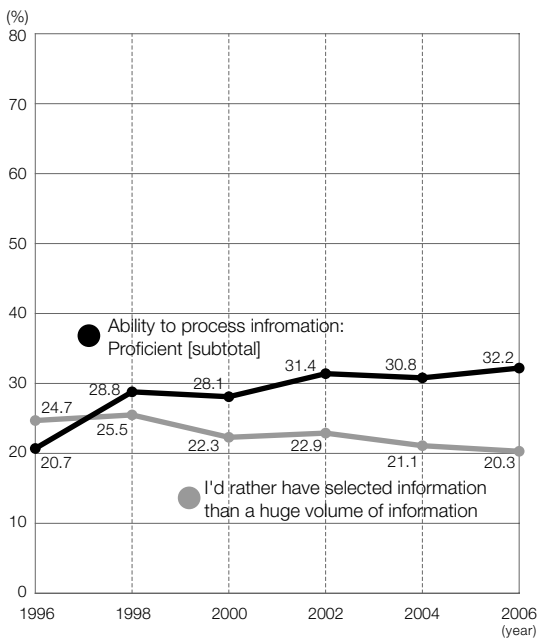
[3] Rebuilding 3 areas

To better equip themselves for the challenges of the present and toward the future, *sei-katsu-sha* have redesigned three platforms of their lives.

(1) Enhancing “Information lives”

The information-based society is evolving at a frenetic pace, and *sei-katsu-sha* are keeping pace by taking advantage of an ever wider range of IT gadgets and information services. This increasing access to information resources has enhanced the ability of *sei-katsu-sha* to process information and perceptibly enriched their lives (Graph 7).

Graph 7
Improving information literacy

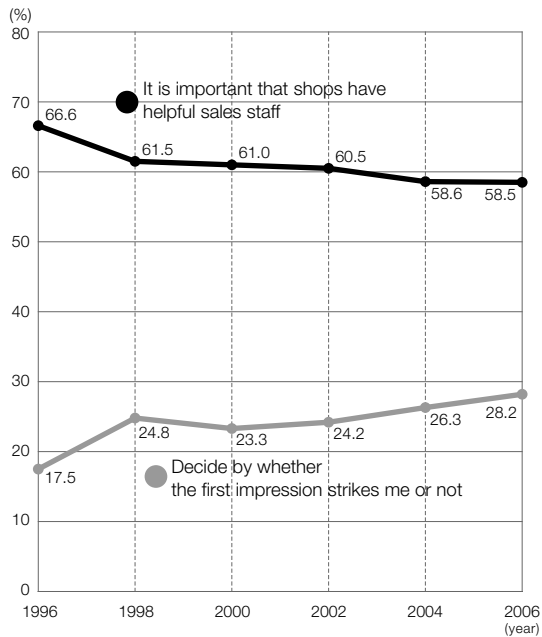


(2) Cultivating consumer judgment

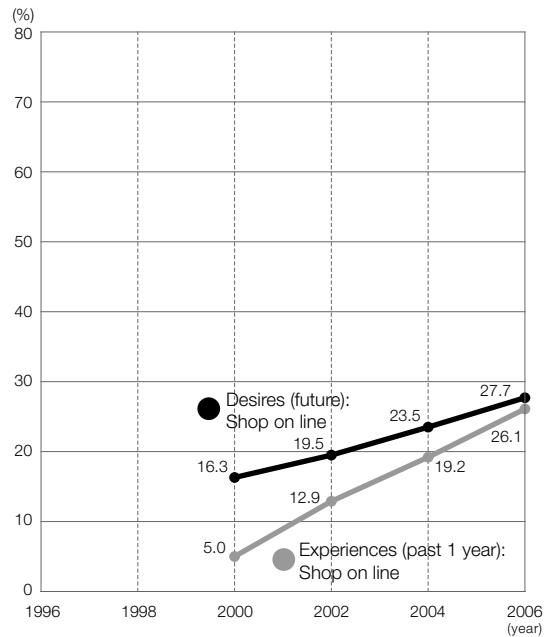
Sei-katsu-sha are becoming more discerning shoppers. Their increased access to information and ability to process it have empowered them to make their own choices and purchase through a wider range of channels than ever (Graphs 8-10).

At the same time, they are cutting back spending on travels and gifts and spending more instead on things of benefit to themselves and society, like entertainment content and eco-friendly products (Graphs 11). They are becoming smarter about what they buy. Consumer literacy is thus gaining ground as people reorganize their lives.

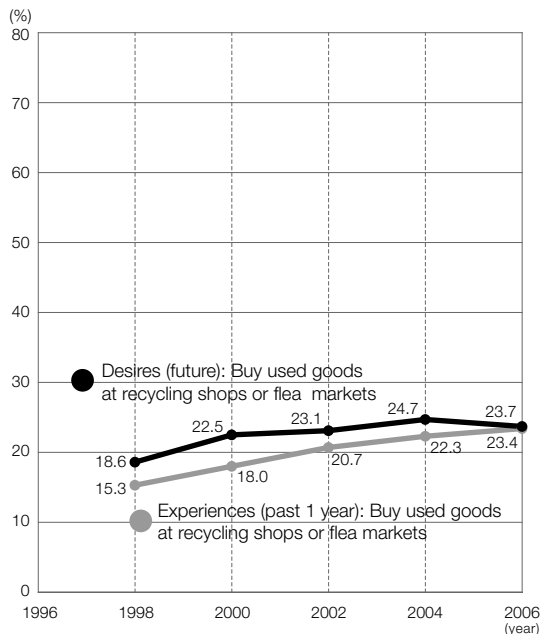
Graph 8
Becoming a discerning customer



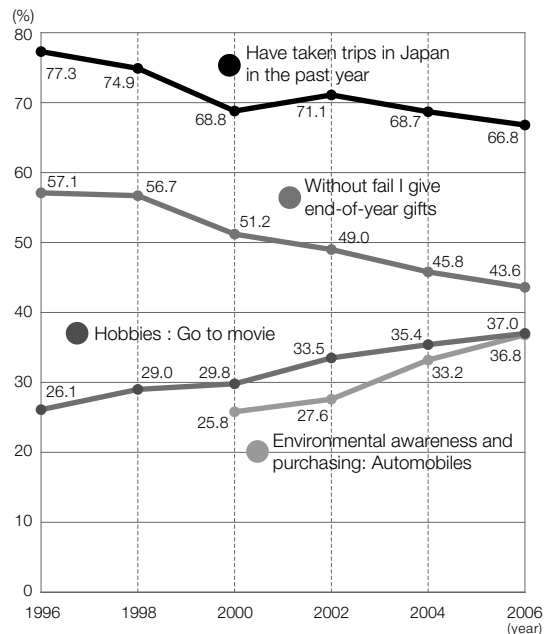
Graph 9
Developing new purchasing routes - 1



Graph 10
Developing new purchasing routes - 2



Graph 11
Following spending / Ballooning spending

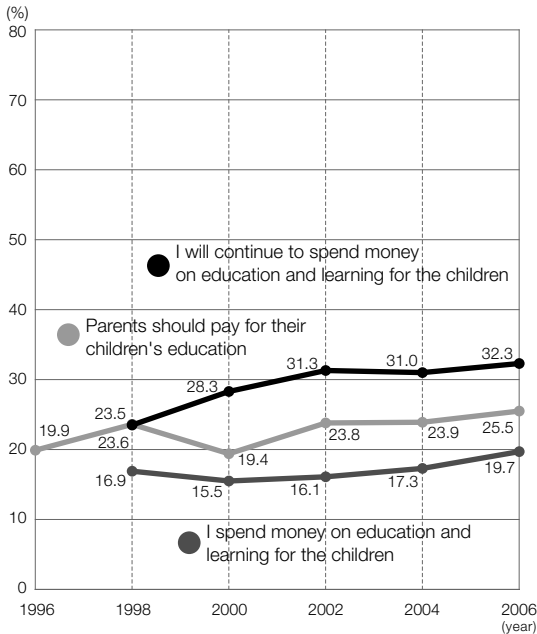


(3) Preemptively investing in the future

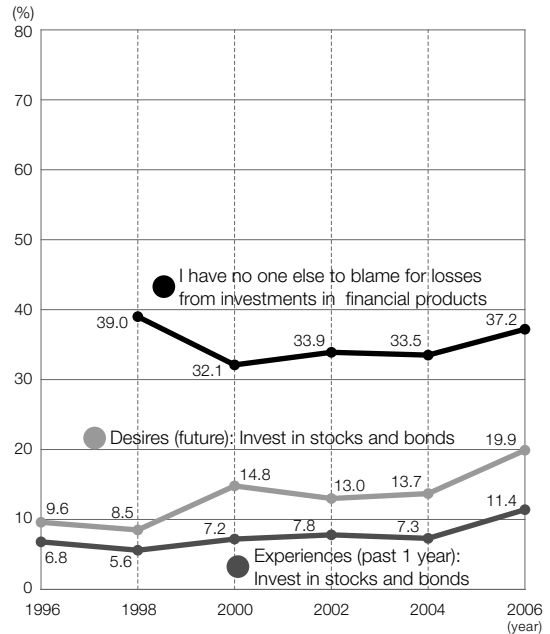
Sei-katsu-sha are mobilizing their resources for an uncertain tomorrow by investing in their children and in financial products. A tough future awaits today's kids. To equip them with the smarts they will need to survive, parents have started proactively investing in their education — something they are able to do so because they are having fewer children (Graph 12).

Besides investing in their kids, there are signs that *sei-katsu-sha* are starting to invest in financial products as well. These days, what with performance taking precedence over seniority, taxes on the rise, and Japan's pension system in a shambles, no one knows what the future might hold; so *sei-katsu-sha* are taking matters into their own hands and directly investing for themselves. Determined to achieve security, both for their children and for their own retirement years, they are beginning to invest preemptively in the future (Graph 13).

Graph 12
Proactively investing in children



Graph 13
Investing in financial products



Survey overview

- Geographical scope: 40 km radius, Greater Tokyo area; 30 km radius, Hanshin area
- Target population: Males and females aged 20-69
- Size of sample (allocated according to the age group ratios in the national census): 1994-2002: 2,000 2004: 3,105 2006: 3,293
- Sampling method: Area sampling by geographical extraction
- Survey method: Survey forms dropped off at each home
- When implemented: Every other May (in 2006, May 17 - June 5)

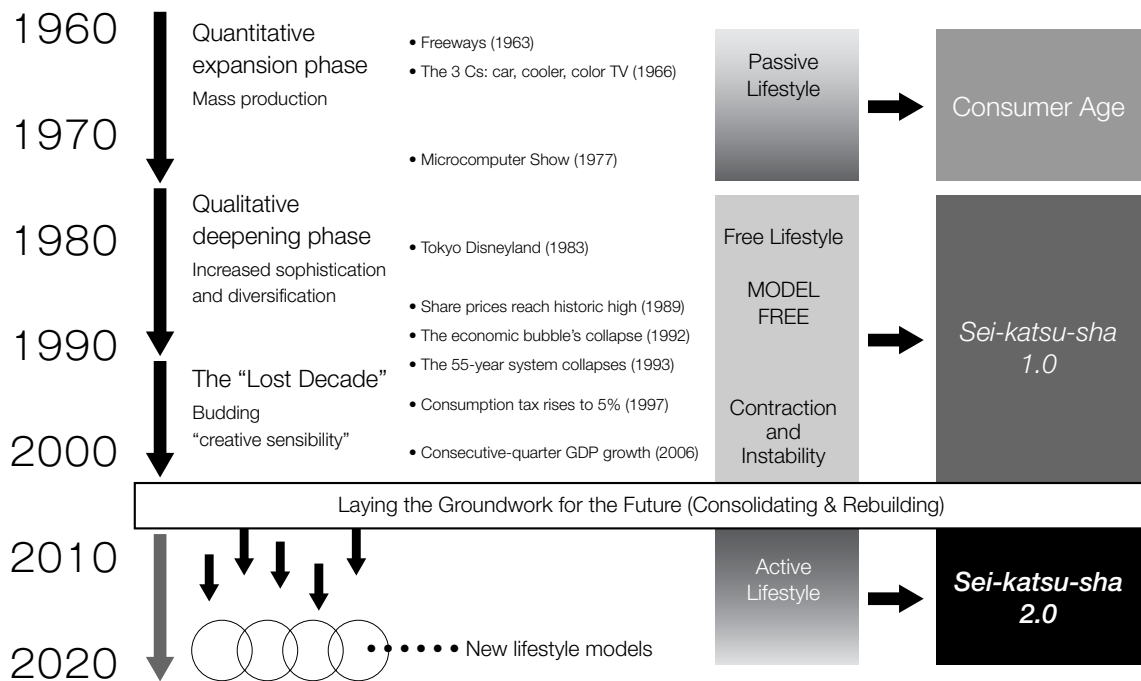
People laying the groundwork for the future

The Japanese economy is showing definite signs of perking up, yet that recovery is not translating immediately into gains in income. People are being buffeted by the winds of reform on all fronts — politics, the bureaucracy, the education system, the private sector — and the recent change in government offers only a brief respite. So formidable are the challenges facing Japan — the threat to the pension system from the country’s declining population, the prospect of a consumption tax hike, the deterioration in government services — that the pace of reform is relentless. People, perhaps, are going to have to start enduring tougher times than ever.

So *sei-katsu-sha* are well aware of what the future holds. They accept the way things are, and are preparing themselves for the new reality by securing their footing and revamping their lives. We see them as **laying the groundwork for the future**.

Today’s Japanese are in the process of turning over a leaf as **Sei-katsu-sha 2.0** — individuals with a can-do attitude like this: Since a second wave of reform is inevitable anyway, there’s no point in moping. Gird your loins and ride it out! Seize the initiative and take action!

People laying the groundwork for the future: *Sei-katsu-sha 2.0*



by HAKUHODO Inc. Institute of Life & Living

Appendix : The fifteen-year cycle theory and people laying the groundwork for the future

- The fifteen-year cycle theory and people laying the groundwork for the future

Here we survey the overall evolution of lifestyles in Japan, and identify where **people laying the groundwork for the future** and **Sei-katsu-sha 2.0** stand in the larger picture (Figure 2).

The documentation sums up the fifteen-year cycle theory propounded by HILL. This hypothesizes that history moves in a sixty-year cycle, each sixty-year period consisting of four fifteen-year stages: a paradigm shift during which structural changes occur; a take-off phase when growth begins within the new paradigm; a quantitative expansion phase characterized by all-out growth; and a qualitative deepening phase during which contradictions proliferate.

- Quantitative expansion phase after the War

The 1960s was when the Japanese began enjoying such modern amenities as the TV, the washing machine, and the refrigerator. It was a time when affluence meant owning lots of stuff. People back then were passive consumers: they simply took advantage of whatever services were offered by government and the private sector. And naturally enough, too, for where once there had been nothing, there was now a constant stream of handy new products that made life more convenient and enjoyable than ever before. People were blinded by gain and kept taking them.

- Qualitative deepening phase

After 1975 the nuclear family was in the ascendant and women were breaking into the workplace at an accelerating pace. Lifestyles, customs, cultural trends, and fashions appeared that threw off the trammels imposed by existing Japanese conventions. Such a prime example as the Walkman, innovation was everywhere: it was what people desired. They rejoiced in a sense of being free. The lifestyle of the day can best be characterized as “liberated.” Diversity gained ground, and people acquired the ability to make choices that accorded with their own personal values. It was the era when consumers made the leap to **Sei-katsu-sha 1.0**. But then contradictions proliferated, leading inexorably to the collapse of the economic bubble.

- Paradigm shift

The 1990s was when the Japanese lost everything: their assets, their confidence, their very Japaneseness. But *sei-katsu-sha* are resilient, and there was one thing that they did gain from the bitter experience of the Lost Decade: creative sensibility, as we termed it in the 2004 Biannual Data Book.

- 1998: A watershed year

In 1998, the midpoint of the third paradigm shift, Japanese attitudes and behavior underwent a sea change. This we at HILL term the watershed of 1998. In that year people began to acquire “creative sensibility”: the savvy needed to put the hardship and sorrow that followed the economic bubble’s collapse behind them and triumph over whatever adversities the present or future held, along with the practical skills needed to apply it. The 2006 Biannual Data Book throws light on how that creative sensibility is evolving.

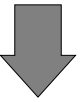
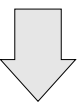
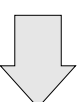
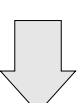

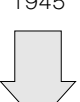
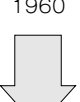
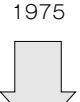
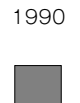


- The third take-off phase: The debut of **Sei-katsu-sha 2.0**

According to the fifteen-year cycle theory, 2005 should have marked the beginning of growth within the new paradigm. And indeed, the economy did enjoy a full-blown recovery in that year. So 2006 must be the start of the take-off phase, when the aircraft heads for the runway. This then is where “**people laying the groundwork for the future**” stand today.

Sei-katsu-sha are now at the take-off phase; they can soon be expected to find themselves aloft amid an evolving information-based “soft” economy, and heading for a “soft wave” — bioinformation and all — will sweep over them. The aircraft on which those laying the groundwork for the future are embarked has already left the apron and started for the runway.

That aircraft is now ready for takeoff. Its destination: a new frontier peopled by **Sei-katsu-sha 2.0**, who, having secured their footing and revamped their lives, are now in a position to seize the initiative and act for themselves.

Appendix : The fifteen-year cycle theory of changes in social structure

Development of modern industrial infrastructure	1870		Paradigm shift Structural change	Transformation into a modern state	Westernization begins	Meiji Restoration (1868) Abolition of the feudal domains (feudal fiefdom to modern prefecture) (1871) Reform of the feudal Land Tax Law (1873) Government hires foreign experts, Freedom and people's rights movement Fukuzawa Yukichi, Modern newspapers begin circulating
	1885		Take-off phase Growth begins within the new paradigm	First industrial revolution (Light industry)	Modern social systems are put in place	Cabinet system established, Bank of Japan issues convertible notes (1885) Boom in founding of joint-stock companies (1886) Tokaido train line comes into full service, Constitution of the Empire of Japan (1889) Phone service launched in Tokyo and Yokohama (1890) Sino-Japanese War (1894)
	1900		Quantitative expansion phase All-out growth	Second industrial revolution (Heavy industry)	Capitalism develops	Yawata Steel Works (1901) Russo-Japanese War (1904) Sense of Japan as a "first-class nation", Raw silk exports boom (1909) Taisho era begins (1912) Domestically made automobile (1913) World War I "The Imperial Theater today, Mitsukoshi tomorrow" (1914)
	1915		Qualitative deepening phase Contradictions proliferate	Consumer culture blossoms	Contradictions proliferate	Great Kanto earthquake (1923) Radio broadcasts begin Universal Manhood Suffrage Law (1925) Showa era begins (1926) Cafe boom, "Modern girls", One-yen books, one-yen taxis Asakusa-Ueno subway comes into service (1927)
	1930		Paradigm shift Structural change	Country on a war footing	Market reduction Rationing	Manchuria Incident (1931) Sino-Japanese War (1937) National Mobilization Law (1938) Pacific War (1941)
Development of a goods-based "hard" economy	1945		Take-off phase	Core industries recover	Digestive/muscular (arm-like) industries National identity	Black markets, Japan's population: 72 m. (1945) Commercial radio broadcasts (1951) Commercial TV broadcasts (1953) The three sacred home appliances: TV, washing machine, refrigerator Japan Housing Corp. (1955) Year 1 for the private automobile (1959)
	1960		Quantitative expansion phase	Mass production systems	Muscular (leg-like) industries Mass market	Freeways (1963) Electronic calculators debut (1964) Overseas package tours (1965) Age of the 3 Cs: car, cooler, color TV (1966) Car ownership crosses 10 m. mark (1967) Oil crisis (1973)
	1975		Qualitative deepening phase	Increased sophistication and diversification	Sensory industries Fragmentation of mass market	Post-war generation accounts for half of population (1975) Microcomputer Show (1977) Japan becomes world's top automobile producer (1980) CDs (1982) Tokyo Disneyland (1983) Share prices reach historic high, Berlin Wall falls (1989)
Development of an information-based "soft" economy	1990		Paradigm shift Structural change	Spread of IT Globalization	Cerebral industries Individual identity/ temporarily existing mass market	Number of Japanese traveling abroad crosses 10 m. mark (1990) The economic bubble's collapse becomes evident everywhere (1992) The 55-year system collapses (1993) Great Hanshin earthquake, sarin gas attacks (1995) Consumption tax rises to 5% (1997) Unemployment soars (1998) Year 2000 (Y2K) problem (1999) Terrorist attacks in the US (2001) Iraq War (2003)
	2005		Take-off phase			
	2020					

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