

"A brighter future for the next generation" The Outlook Foundation

Have our bonds been broken?

 Change in social capital between 2003 and 2013 and its implications as revealed by three national surveys

> Yoji Inaba Professor, Nihon University

What is social capital?

Simply put, social capital is the network of bonds (*kizuna*) formed between people that reinforce shared values and enhance social cooperation. In this article, the term is used in a broader sense and refers to trust, norms of reciprocity (*otagaisama*) and networks that affect third parties (termed 'externality' in economics).

Surveys on social capital

We conducted mail-in surveys titled "Security, Trust and Social Participation in Daily Life" in 2010 and 2013. Combining their results with the original survey similarly conducted by the Cabinet Office in 2003, we have been able to track changes through the years.

Comparison of 2013 and 2010 survey results

The 2013 survey revealed that structural social capital, which mainly consists of networks, and particularized trust (trust towards specific groups and people such as friends and colleagues), which is cognitive but affected by structural social capita, have changed significantly in only three years.

1) Generalized trust or trust towards the general public in society has been relatively stable. 2) Structural social capital, mainly consisting of networks of social communication in daily life and participation in social activities, has decreased. 3) Particularized trust has also decreased significantly.

Comparison of 2013 and 2003 survey results

A decrease in social communication in daily life has also been observed over the longer span between 2003 and 2013. On the other hand, the participation rate in social activities has risen, more respondents enrolling themselves in such activities several times a year.

Comparison of response demographics

During the decade between 2003 and 2013, association with neighbors, friends, acquaintances, colleagues, family and relatives have all decreased significantly. With regard to social capital, trust toward these organizations and people have also deteriorated notably.

Comparison with the past national survey

Between 2003 and 2013, the results showed fewer changes in the high income group than in the mid-to-low income group, which revealed a much different pattern.

Changes in social capital during this period are assumed to reflect changes in employment conditions and the labor market as well as wider income gaps. The data show that these drastic changes have damaged social communications in daily life and undermined trust toward people the respondents meet day-to-day, although they maintain their trust toward society in general and participate increasingly in social activities to compensate for the lost bonds.

Effect of the Great East Japan Earthquake

Considering the promotion by the media of the importance of bonds during and after the earthquake, tsunami, and nuclear disasters, the expected results in 2013 should have been a greater development of social capital compared to 2010. This hypothesis, however, has been proved wrong by these surveys.

They have also revealed that communication among neighbors, particularly among females, has weakened in the affected areas and has undermined trust among friends.

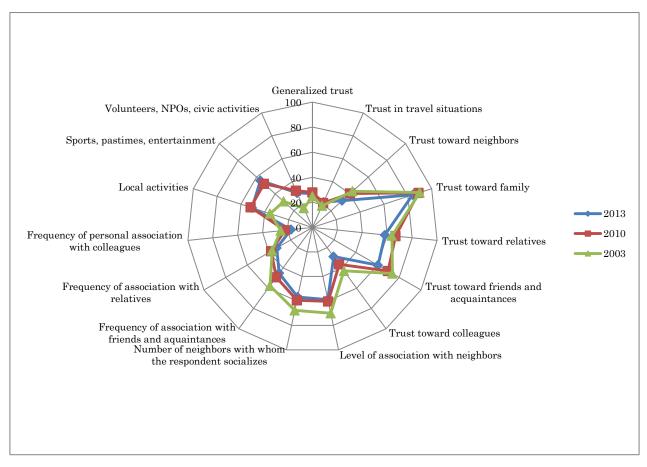
Conclusion

Although merely a decade passed between our surveys, the communication and trust among friends that had been taken for granted in fact has declined. On the other hand, people have participated more in social activities and marginally maintained their level of general trust, which is a measure of social tolerance and altruism.

The 2013 survey included questions about quality of life (QOL), such as subjective life satisfaction, concern for isolation, and subjective physical and mental health,. The results showed that these are closely associated with the elements of social capital. Social capital in the broad sense, as measured through the surveys, accounts for approximately 15% of the change in subjective life satisfaction and approximately 5%-10% of concern for isolation and subjective physical and mental health. While social capital is not a major QOL indicator, it can be relatively quite important. Social capital acquires greater significance in countries where people are no longer satisfied with material abundance alone. Social capital is a concept that complements the boundaries of pure economics.

Changes in the results of social capital surveys (2003 - 2013)

In the past decade, participation in social activities has increased notably and generalized trust has remained stable. On the other hand, particularized trust, as well as the frequency and level of social associations, has decreased significantly. Particularized trust deteriorated especially between 2010 and 2013.



2003: Mail-in survey by the Cabinet Office

2010, 2013: Mail-in surveys by Inaba

Author profile

Yoji Inaba

Professor, College of Law, Nihon University

1949 Born in Tokyo

Currently Professor at Nihon University, College of Law (Department of Political Science and Economics) and Graduate School of Law

Specializes in Japanese Economics and Social Capital

Education and Career

- 1973 Graduated from Kyoto University Faculty of Economics
- 1978 MBA from Stanford Graduate School of Business

- 1973 Joined Japan Development Bank
- 1984–87 Economist in the Energy Analysis Department of the International Energy Agency (OECD)
- 1994–97 Chief Representative of Japan Development Bank, Washington Office
- 1997–99 Executive Director of the Japan Economic Research Institute
- 1999–2001 Managing Director of the International Department of the Development Bank of Japan
- 2001–2003 Executive Director at the Research Institute of Capital Formation of the Development Bank of Japan
- 2003-present Professor at Nihon University College of Law
- 2007–14 Auditor at Calbee, Inc.

Publications

- 2014 "Social Capital—What is the Science of 'Kizuna'" (editor & collaborator) Minerva
- 2013 "Social Isolation from a View Point of Social Capital" (editor & collaborator) Minerva
- 2012 "Japan's Economy" (editor & collaborator) Koubundou
- 2011 "Introduction to Social Capital" (author) Chuoukouron
- 2011 "The Frontier of Social Capital" (editor & collaborator) Minerva
- 2008 "Exploring the Hidden Power of Social Capital" (editor & collaborator) Nippon Hyoron Sha
- 2002 "Japan's Economy and Economics of Trust" (editor & collaborator) Toyo Keizai.
- 2001 "Good Restructuring vs. Bad Restructuring—The Revitalization of America with Widening Income Gap" (author) Nikkei.
- 1996 "U.S.A- a Country with Vanishing Middle Class" (author) Nikkei.
- 1994 "Economic Potential of Japan" (editor & collaborator) Nikkei.

Translation

2011 "Corruption, Inequality, and the Rule of Law-The Bulging Pocket Makes the Easy Life" Nippon Hyoron Sha, by Eric Uslaner, originally published by Cambridge University Press

The Outlook Foundation sets out proposals for a better future.

Your feedback including validation, advice, constructive criticism and proposals are most appreciated.

abrighterfuture@theoutlook-foundation.org

© 2014 The Outlook Foundation, All rights reserved.