

From GDP to GGW: A historic shift in the index of affluence

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The term “well-being” (happiness, health, and good state) has come to be used more frequently in Japan in recent years⁽¹⁾. I believe that the well-being trend is not just a short-term trend, but a major transformation comparable to the agricultural and industrial revolutions in human history. We have, therefore, discussed the necessity and possibility of shifting from GDP (Gross Domestic Product), a major indicator in capitalist economies since the Industrial Revolution, to GGW (Gross Global Well-being), as the indicator after the Well-being Revolution⁽¹⁾.

1. The cycle of population growth and stabilization

American ecologist Edward S. Deevey, Jr. has presented a hypothetical diagram of the ultra-long-term global population trend⁽²⁾. The graph shows the increasing trend of the world population from the appearance of mankind to the present. It divides the period starting one million years ago to the present into three stages, each of which is characterized by an increase followed by a flat steady state.

Similarly, Professor Yoshinori Hiroi of Kyoto University published a schematic diagram of the “Cycles of expansion, growth, and stabilization in human history⁽³⁾.” Figure 1 shows a simplified representation of these cycles. The figure shows three ascending phases between the birth of the human race and the present, with each phase followed by a long steady state. Humans, who appeared 200,000 years ago, initially lived by hunting and gathering. When food was abundant, the population increased, but once the number of people increased excessively more than the amount of food available, the increase stopped, and the population became stabilized (first steady state).

When agriculture began, the population started to increase again. Eventually, however, the population growth brought about by agriculture reached a limit and became stabilized (second steady state). Industrialization then took place through the Industrial Revolution, which was then followed by informatization and financialization. These events again led to an increase in the population. However, ultimately, the global environment will reach its limits. In Japan, the high cost of childcare and the difficulty of reemployment of women after childbirth have become barriers to growth. And, as a result of the declining birthrate due to the decrease in fertility rate, Japan has in fact already entered the third steady state.

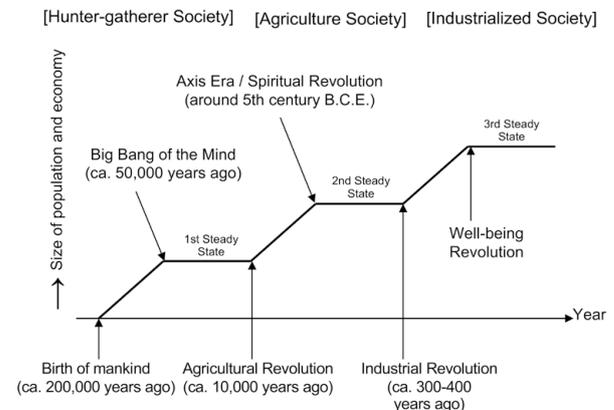


Figure 1. Epochs in human history
(Revised from Maeno and Maeno, 2022⁽¹⁾)

For about 300 years after the modernization, we have lived in a society with an increasing population. Japan had a period of isolation from the outside world during the Edo period, and although it was late to enter the third ascending phase, it has climbed up the slopes of a growth society for the 160 years since the Meiji Restoration. However, since the bursting of the asset price bubble, Japan has spent 30 years of lost growth. Its GDP has also fallen to third

place, so we can consider it an era pervaded by a sense of entrapment.

However, from the perspective of human history, a steady-state society is not necessarily a declining society. The first steady-state society came about 50,000 years ago, which is said to be ushered in by the “Big Bang of the Mind.” It was around this time that mankind started adhering to the primitive religion of Animism (worship of nature) and invented art, such as murals and other ancient art forms. Humans had been preoccupied with expanding to new lands for hunting and gathering during the period of population growth. But when growth stopped, the so-called economic growth-oriented people gained free time and enjoyed a sense of relaxation and peace. In other words, human culture flourished as humans began to engage in art and architecture. Naturally, when growth stopped, humans also likely experienced unfavorable circumstances, such as suffering from food shortages and malnutrition, and fighting among tribes. But this is likely why mankind resorted to primitive religion and invented art to figure out “how we should live.”

When culture flourished in the steady-state society, warming occurred, and agriculture was invented. As a result, the population started to increase again. Also, surplus agricultural products could now be stored. This created a gap between the rich and the poor, leading to the social classes dividing rulers and slaves, and widening the social disparities.

Economic growth through agriculture eventually reached its limit and came to a halt. The second steady-state period around the fifth century B.C.E. is known as the Axis Era. The Axis Era was the era of philosophers Socrates, Plato, and Aristotle in Greece. In India, it was the time when Buddha was born, and in China, the time when the Philosophical Schools of the Hundred Masters emerged, such as Confucius, Lao Tzu, Zhuang Tzu, and Mencius. In other words, it was the era when philosophy, thought, and religion were born in ancient, civilized cities. The period around the fifth century B.C.E. was indeed

the time of the spiritual revolution. Although the birth of Christianity in the West did not happen until about 500 years later, ancient Greek culture and religions such as Zoroastrianism, from which Christianity traces its roots, began around this time. In other words, we can say that the Axis Era was the era in which ideology, religion, and culture were born as a result of thinking about “how we should live” when humanity was caught in the throes between a sense of entrapment and a sense of stability in the steady-state period, similar to what happened in the first steady state.

In Japan, although Animism in the Jomon period is believed to have flourished during the first steady state, it had most likely influenced later Shintoism. Also, Indian and Chinese ideologies such as Buddhism, Taoism, and Confucianism are believed to have influenced Japan during the second steady-state period. The syncretism of Shinto and Buddhism, which continued from the introduction of Buddhism to Japan until the Edo period, can be considered to be a result of the continued influence of the two steady-state periods until the modern era.

A certain Shinto priest I talked to made a striking comment that “the purpose of Shinto is to express gratitude to our ancestors and the natural world, and to pray for world peace and happiness.”

One of the ideals of Mahayana Buddhism introduced to Japan is compassion: “May all living beings throughout the world find happiness.” This is similar to Shinto teaching. The reason for the similarity is that according to the priest, “When Buddhism came to Japan, Shinto became influenced by Buddhism. And Buddhism was also influenced by Shinto. There was a convergence of the deities and Buddhas. That’s why it’s natural for them to be similar.” Modern people who live after the separation of Buddhism and Shintoism after the Meiji Restoration tend to think that Shinto and Buddhism are different ideologies. But in the third steady-state period, I think we should rethink the significance of the syncretism of Shinto and Buddhism, which was a fusion of the first and second steady states.

Furthermore, we should keep in mind that the science of well-being, IT, AI, and other sciences and technologies characterize the third steady state, but not the first and second steady states. The thinking in the third steady state should be a fusion of thought among Shinto, Buddhism, and science and technology.

2. A paradigm shift from economic growth to growth of the mind?

We have thus far talked about the emergence of thought and art during the steady-state periods. As the title of this article suggests, the steady-state period should be a period centered on the Gross Domestic Well-being (GDW), unlike in the GDP-first periods (periods of economic growth and population growth). Or rather, it may be the time to look beyond Japan and into the world and think about Gross Global Well-being (GGW).

If we look at the current situation in Japan from this kind of perspective, what do we see? From the standpoint of economic supremacy, the era of the lost 30 years appears to be a period of economic stagnation. However, if the same thing is happening as in the two plateaus mentioned above, should we not rather think of it as a period where culture will flourish? I think we should turn the third steady-state period of mankind into a prosperous period of maturity.

Japan is experiencing a population decline ahead of the rest of the world. From a different perspective, however, we can say that Japan is the first country to make a turning point toward the third steady state. Likewise, we can surmise that Japan has already jumped into the turning point in human history 30 years ago as the front-runner.

Of course, this turning point is not unique for Japan. The wave of declining birthrates, and food crises will encompass the entire world in the decades and centuries to come, including Africa, where the population is currently growing. It is believed that the world population will start to decline in a few decades to centuries from now.

This is inevitable in the history of humanity. Interestingly, Japan had always lagged behind in past major global trends. For example, agriculture began about 10,000 years ago, but the Yayoi people, an agricultural tribe, appeared in Japan only about 3,000 years ago, 7,000 years behind other parts of the world. Industrialization also came about around 150 years behind the UK. Therefore, Japan, which always came late into the picture during the period of increase, is now moving toward the steady state ahead of others. During the period of national isolation, when it lagged behind in industrialization, Japan went through a cultural period that established world-renowned Japanese art and culture, such as ukiyo-e and wabi-sabi tea ceremony. In other words, Japan is a country characterized by a long, prosperous steady-state period. And now, Japan is entering the third steady-state society ahead of the rest of the world.

The population growth and steady-state periods can be said to be periods of economic growth and mental growth, respectively. After going through the steps from economic growth to mental growth twice, humanity is now moving through the third economic growth period into the third mental growth period. The era of the growth of the mind is in fact the era of well-being that aims for spiritual richness. I believe that Japan, which is at the forefront of the transition into the era of enhancing humanity, is now going through the pains of childbirth.

In view of these circumstances, let us now take a look at the MDGs (Millennium Development Goals) and SDGs (Sustainable Development Goals), the global initiatives advocated by the United Nations. The SDGs that are currently in progress have an interesting naming. “Sustainable” represents a steady state, while “development” points to the notion of an ascending trajectory. Therefore, the SDGs can be regarded as goals that combine the contradictory concepts of maintenance and development. They are goals for the transition period.

The MDGs, which were established in 2000, when

economic growth was continuing, were aimed at the “growth of developing countries to eliminate disparities.” Following this, the SDGs, established in 2015, aim for sustainable development, including in developed countries. Along this line of thought, the next goal after the SDGs in the coming steady-state era should be “AWG” (A Well-being Goal). Please note that it is singular, not a collection of goals. This is the time when we should head toward GGW (Gross Global Well-being), with the sole goal of achieving “the happiness of all living beings throughout the world.”

As a general trend for mankind, it is now the time to shift from the idea that developing countries should pursue development at all costs and catch up with developed countries to the idea that development is not all that matters in order for mankind to live more harmoniously with the Earth.

This is similar to what happened in the Renaissance movement to learn from Ancient Greece (the age of steady-state prosperity in the past). In the coming steady-state period, we should learn from Shinto and Buddhism, which are the ideologies in the previous steady-state period, as mentioned earlier. Of course, this is not mere nostalgia, but also points to the dawn of an era that will give birth to a new culture through the fusion of new ideas, such as Cool Japan, with traditional crafts, traditional performing arts, philosophy, and thought, while making full use of AI and other technologies. In other words, it is an era in which industries, which can also be called well-being industries, will advance.

Today, we already have an industry called the health industry. With the advancement of medicine, health science through preventive medicine has developed, and health awareness has heightened. The health industry is expanding substantially from sports, fitness, and yoga to areas such as food and sleep. Similarly, industries that aim for well-being in the sense of “happiness,” or the happiness of the mind, have already started to develop. For example, the movement to improve the

state of the mind has begun, through corporate training and coaching, online and off-line learning, and civic universities, as well as contents featured on YouTube, Instagram, Clubhouse, and Voicy. Also, the trend has begun to shift from traditional economic prosperity based on goods to an emphasis on achieving goals like the SDGs that focus on improving the state of the people and the global environment. Going forward, we should think of the coming period as an era in which all industries will become well-being industries.

Another trend we are seeing is toward ESG investment, which means giving due consideration to the Environment, Society, and Governance. In other words, when you invest, you do it not just for profit, but you invest in companies that are doing good for the environment or companies that have a high degree of contribution to society. This trend is expected to become more widespread in the future.

Recently, we are seeing these trends becoming more prevalent in Europe than in Japan. In Europe, it is becoming increasingly common to avoid buying or investing in companies that are not environmentally friendly, companies with workplaces that condone child abuse, or companies suspected of social injustice. Japan is in fact being harshly criticized for emitting excessive amounts of CO₂ from thermal power generation. Well-being is not only about the individual, but also about the overall condition of the individual, society, and the Earth. Therefore, as mentioned above, we can say that the well-being concept also encompasses the SDGs.

One of the trends in a world that pursues happiness is to engage human sensibilities and creativity and to value connections with others. This points to a shift in focus from economic growth to mental growth. So, what does growth of the mind mean? If we learn from the past, I think it would be something that aligns with culture, arts, and philosophies, such as music, fine arts, martial arts, tea ceremony, flower arrangement, Shintoism, and Buddhism. These also include traditional performing arts and crafts. Moreover, there should also be an interposition of

technologies such as AI, and contemporary art and culture, such as Cool Japan, should also play a role. Of course, they should be pursued not only to satisfy financial needs, but also to enhance social and public aspects, including environmental considerations, as well as the cultural quality of people's lives. In other words, values will likely shift towards uplifting well-being.

3. Research and practices on the paradigm shift from economic growth to growth of the mind

Kohei Saito, an associate professor at the University of Tokyo and expert in the history of economic thought, has forwarded a critical view against capitalism in a closed state, saying that in the future, capitalism should aim to become an evolutionary model of communism⁽⁴⁾. On the other hand, aforementioned Professor Yoshinori Hiroi of Kyoto University advocates that the focus should be on well-being within the scope of capitalism⁽³⁾. Professor Hiroi used the term 'global ethics' in his argument, saying that if we enter an era where people seriously think about the earth, we can continue to progress within the framework of capitalism. Likewise, worldwide, intellectuals such as Thomas Piketty⁽⁵⁾, a French economist who studies economic inequality from the perspective of statistics and economic history, and Yuval Noah Harari⁽⁶⁾, an Israeli historian who chronicled the evolution of mankind from the Stone Age to the present in "Sapiens: A Brief History of Humankind," also suggest that the emergence of the movement to view the whole of humanity at large is due to the fact that humanity is now at a turning point.

What is interesting to note is that people who speak from a broad human historical perspective, people who take a long view of society over a period of 300 years, such as in Society 1.0 to 5.0⁽⁷⁾, as well as those who take a shorter perspective, such as that beyond the global financial crisis triggered by the collapse of Lehman Brothers in 2008, all believe that the age of well-being has

dawned. The heightened introspection on the excessive bias towards economic growth, individualism, capitalism, and nationalism has ushered in the era of well-being, reminiscent of the Renaissance and Romanticism, where humanity also looked back and learned from the richness of the past.

Some people, however, may think that it does not seem that way at all when looking at the current state of affairs. The rise into power of former President Donald Trump with his extreme nationalistic tendencies, the Russian war, China acting high-handedly, and the UK's exit from the EU—all point to an apparent spread of egocentrism and nationalism. I think this is in fact a phenomenon that represents a turning point in the times. In other words, we are moving into an era characterized by diverse views from conservatism to innovation, i.e., from forces trying to go back to the more conservative and traditional ideologies in order to protect their own national interests, to the likes of Piketty, Harari, Hiroi and Saito, who advocate innovative ideas about the coming of a new era. In extreme terms, we can say that we are moving into an era of chaos. Since we are in an age of volatility, uncertainty, complexity, and ambiguity (VUCA), humanity is at a loss on what to do. So, it is natural for various ways of thinking to emerge. And some of these views will eventually be weeded out. In any case, just as the previous steady-state periods were eras of well-being, the next steady-state period will also be an era of well-being. With an increasing number of people thinking along the same lines, the well-being concept can be said to be gaining wide attention.

There is significant discussion on well-being taking place in politics, economics, philosophy, education, business, and various other fields. University of Tokyo Professor of public policy Kan Suzuki refers to the major transformation of the times as "post-modernity⁽⁸⁾," while businessman George Hara refers to it as "public-interest capitalism⁽⁹⁾." Both of them argue that we should shift to a capitalism that cares for the society around it and the Earth. Overseas, World Economic Forum (Davos) Executive

Chairman Professor Klaus Schwab⁽¹⁰⁾ has called for a Great Reset, i.e., a reset from the growth-centrism that has existed since the Industrial Revolution. Joanna Macy⁽¹¹⁾, a self-proclaimed revolutionary, calls it the Great Turning, claiming it as the third turning point after the Agricultural Revolution and the Industrial Revolution. Satish Kumar, founder of Schumacher College, emphasizes the arrival of an era in which we should live with the Earth, using E. F. Schumacher's words "small is beautiful⁽¹²⁾." Kazuhiro Arai, who created the e-money "eumo," says that we should aim for a shift to a society based on empathic capitalism⁽¹³⁾. Chiba University Graduate School Professor Masaya Kobayashi and Harvard University Professor Michael Sandel both emphasize the need for a shift toward communitarianism⁽¹⁴⁾. Kyoto University Professor Yukiko Uchida has put forth the concept of collective happiness⁽¹⁵⁾. Keio University School of Medicine Professor Hiroaki Miyata has also proposed the concept of co-being and advocates the importance of a cooperative and harmonious way of life⁽¹⁶⁾.

Each of these ways of thinking may seem different because they come from different fields and perspectives, but they all speak of a major shift from the era of economic growth to the era of well-being. In the future, various discussions will bring about a major transition to the era of well-being.

4. Initiatives of different countries on well-being

Article 13 of the Constitution of Japan stipulates the right to pursue happiness. "All of the people shall be respected as individuals. Their right to life, liberty, and the pursuit of happiness shall, to the extent that it does not interfere with the public welfare, be the supreme consideration in legislation and in other governmental affairs." This is the basic human right to pursue happiness.

One of the factors that reduce happiness is loneliness or isolation. In 2021, Japan became the second in the world to

assign a Minister to tackle loneliness and isolation. We can say that this is a step toward a well-being policy.

In 2010, then British Prime Minister David Cameron declared that the United Kingdom is committed to well-being as a nation, and the Office for National Statistics started to measure well-being. This is, essentially, an attempt to numerically visualize the degree of national happiness (GDW), by moving away from conventional policies that focused only on GDP. The UK has appointed a Minister for Loneliness in 2018.

In New Zealand, ensuring people's happiness is a duty of the state. Since 2019, it has adopted a budget called Well-being Budget that incorporates the concept of happiness. The government has set a budget for efforts to improve the standard of living of the people. The well-being budget consists of five axes: (1) support for mental health, (2) support for children's happiness, (3) improvement of the lives of Māori and Pacific peoples, (4) innovative nation-building, and (5) transition to a sustainable economy and society. As a political framework, the policy has a high degree of abstraction, but it takes well-being into consideration in a broad sense.

Bhutan has declared that it aims to achieve Gross National Happiness (GNH) instead of GNP (Gross National Product). Many people in Bhutan adhere to Bhutanese Buddhism, which is a form of Tibetan Buddhism. Since Buddhism is basically a religion that seeks inner peace, there was no incongruity in Bhutan aiming for a better state of mind, i.e., happiness, as a Buddhist country. Bhutan is often regarded as the happiest country in the world. Rather, it is actually the first country in the world to adopt the concept of happiness as a political goal.

In Bhutanese Buddhism, people pray daily for the "happiness of all the living things throughout the world." Including this kind of altruism, we can say that Bhutan is a country with a high sense of Buddhist happiness.

A union called Well-being Economy Governments has been formed based on a new concept of an economy centered on the keyword of well-being. Members include

Scotland, New Zealand, Iceland, Wales, Finland, and their aim is to deepen the understanding and promotion of the well-being economy as a country and region. The well-being economy focuses on activities based on the concept that it is important to meet the needs of human beings, such as access to nature, social participation, community connection, and fairness. As such, around the world, not only nations, but also inter-state alliances are being formed to address human well-being. However, Asia, including Japan, is somewhat lagging behind in these initiatives.

The Organisation for Economic Co-operation and Development (OECD) also explicitly states in its new learning framework, Education 2030, that education should place value and put emphasis on the prosperity, sustainability, and well-being of all humankind. Thus, there is ongoing lively discussion on well-being in the field of education regarding learning that contributes to the well-being of both individuals and groups. The OECD also regularly conducts Better Life Index surveys to report the situation of member countries in 11 areas that include income, housing, health, education, environment, and safety. One of the themes of the survey is “Life Satisfaction.” The level of happiness measured for each country is quantified by dividing it into several indicators, such as job insecurity, longevity, adult skills, and health awareness. Thus, the movement to quantify well-being is gaining momentum.

From a short-term perspective, Japan can be seen as a country that has lagged behind in the formulation of indicators and budgets for well-being. On the other hand, from the viewpoint of human history, it is a country with a long steady-state period of affluence. It is also a country that has passed on the ideas of the past steady-state period, such as Shinto and Buddhism, and art and architecture that originated from them to the present day. Japan used to be called “The Land of Peace and Harmony”. I believe that Japan’s future role is to lead the world in the transition to a world of Peace and harmony⁽¹⁷⁾⁽¹⁸⁾.

5. Conclusion

From the perspective of human history, we discussed the repeated periods of economic growth and stabilization. We also discussed that modern society can be considered as a period of major transition from a period of economic growth to a steady-state period (i.e., the period of growth of the mind or the period of well-being). As indicated in the title, we are undergoing a paradigm shift from the era of GDP to the era of GGW. We also mentioned how the ideas of researchers and practitioners around the world and the examples of initiatives in various countries support this paradigm shift.

I would like to end with a heartfelt wish for the arrival of a world in which all people ponder “how we should live” and desire the happiness of all living beings.

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Author’s Introduction



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Born in Yamaguchi Prefecture in 1962. Graduated from the Tokyo Institute of Technology and completed a master’s degree at the Tokyo Institute of Technology. Worked at Canon Inc. Served as visiting researcher at the University of California, Berkeley, visiting professor at Harvard University, and professor at Keio University’s Faculty of Science and Technology. He is currently a professor at Keio University’s Graduate School of System Design and Management and the Director of the Wellbeing Research Center, Keio University. He has a Ph.D. in Engineering. He will also serve as the Dean of the new Faculty of Well-being at Musashino University starting in 2024. His fields of expertise are well-being, innovation, and system design.