

# Japan: the Case for a Culture Transplant

By Garrett Jones



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Overall, immigrants never fully assimilate, and neither do their descendants. Japanese history offers this example: after the Yayoi migrated from the Asian continent to Japan, they didn't fully assimilate to the cultural practices of the Ainu, who had been there for millennia. Instead, the Yayoi migrants and their descendants brought wet-rice farming and metallurgy to the Japanese islands, giving a big boost to the average level of technology in Japan. Migration created a *culture transplant*, importing new ideas and new ways of life from their old homelands, and that culture transplant made Japan a richer nation.

Not every culture transplant makes a nation richer. Here's one that, according to mainstream historians, didn't go so well: the mass migration from Europe to Argentina in the years around 1900. The Argentine government, which was relatively free-market at the time, wanted new workers, so it welcomed migrants from Europe during a time when left-leaning economic ideas like anarchism and communism were on the rise. Those immigrants imported those radical views to Argentina, and then their descendants brought those ideas into the political debate. The Argentine elite had hoped that the migrants would move to the countryside, blend into the political background, and become quiet, submissive workers. But instead, those European migrants tended to move to cities, where political revolutions are far easier to start.

Peronism, often thought of as a reactionary movement, was more like a fusionist movement, one that combined the popular leftist ideas of state involvement in the economy with a militaristic political order. Real world politics is often like that: a blending, rather than an all-or-nothing outcome. But it's a reminder that Argentines together, left, right, and center, *blended* the views of the new immigrants into the melting pot of Argentine society. And it's a reminder that immigrants and their descendants aren't politically inert, passively assimilating to the norms of their new homeland. Immigrants bring something to the dinner table, and the others at the table are going to at least nibble at it.

These two anecdotes, from Japan and Argentina, are memorable but they're just that: anecdotes. For modern Japan, mass immigration by poor, left-leaning European political activists or waves of migration from vastly technologically superior beings isn't in the cards (at least until the next AI arrives). The usual options discussed for Japan range across a continuum, from well-educated

global cosmopolites coming for higher-end jobs to poorer, less-educated migrants coming from what we used to call the Global South.

So, does it matter who shows up? Do the migrants of the near future shape the prosperity, the national potential, the political culture of the more distant future? Why yes, yes, they do. And while real life is full of surprises, the last few decades of economics research as reviewed in my latest book with Stanford University Press, *The Culture Transplant*, offer some sound generalizations that Japan's citizens should keep in mind when deciding which nations, which immigrant characteristics, are more likely to help and which to hurt Japan's economic destiny. A sound, pro-Japan immigration policy could and should draw upon these generalizations to dramatically improve Japan's points-based immigration system.

## Frugality Migrates

First, an easy one: frugality. In some countries, households save a lot, and in others, people are a lot more likely to live paycheck to paycheck. And savings behavior itself is an indicator of foresightedness, of giving thought for the morrow, of patience. Economists call this characteristic the *discount factor*, and a bigger one is better since it means you give more weight to the future rather than the present.

Economists studying second-generation migrants to the United States, Germany, and the United Kingdom have found that people whose parents were born in frugal countries tend to be more frugal themselves, and people whose parents were born in spendthrift countries tend to save less. These three different studies used different methods, different survey approaches, and yet came to the same conclusion – frugality (or its absence) migrates.

One example: a team of European scholars studied second-generation immigrants to Germany whose parents had come from a wide range of countries across Europe, Asia, Africa, and the Americas. They drew on the famed World Values Survey, which asks people around the world a variety of questions about cultural values. People in some countries are more likely than people in other countries to say they value saving, thrift, and the accumulation of wealth. So, are those survey answers just cheap talk or do people actually carry much of those cultural values when they migrate to

new nations? The scholars found that cultural transplant theory held true on average. The authors wrote that “second generation immigrants from countries that value thrift and wealth accumulation more tend to save more in Germany.” Values aren’t just cheap talk: they show up in behavior. Values can be and are imported.

Those scholars also note that they “confirm [the] results using data from the United Kingdom.” And another team, led by UCLA’s Paola Giuliano, a leader in the field of cultural transplant theory, found similar results for both the second and third generation of immigrants to the UK, using the national savings rates in the home country rather than survey questions to predict immigrant savings behaviors. Two independent sets of scholars coming to the same conclusion: an immigrant’s country of origin really does help predict the frugality of the descendants of immigrants. Based on what we know so far, it’s reasonable to believe that migrants import a substantial portion of their views toward frugality, toward whether they act like Aesop’s patient ant or like his shortsighted grasshopper. And for a nation as a whole, more frugality means more saving and therefore more investment. It also means a larger stock of funds to push into venture capital, into research and development, and even into college education – all forms of investment, all ways to raise future incomes. Attitudes toward the future are, to a great extent, just cultural, not a matter of right or wrong. And migrants can, to a great extent, transplant those cultural attitudes from one nation to another. And that transplant matters for the long-run prosperity of the nation they move to.

### The First Generation Walks on Water

Almost all the debate over immigration centers on the first generation and their adjustment pains – language barriers, culinary differences, fear of the new. But since first-generation immigrants are choosing to migrate, those are likely to be folks who are quite open to assimilating (at least compared to the average person back home). Migrants often choose to move to a particular country because they think they’ll fit in pretty well there, and they’re often right – again, at least compared to the average person back home.

In the second and third generation, those obvious assimilation difficulties fade away – language, dress, food – but that’s where the most interesting cultural transplants take place. European scholars of immigration, for instance, have noted that migrants from Islamic countries to Europe tend to be much less religious than people back home. That’s probably because the migrants chose to move

precisely *because* they were less religious, and were happy or at least willing to move to a more secular country. It’s the adult *children* of those migrants who tend to become more religious – at least more religious than their parents. Scholars sometimes frame this rise in religiosity as a backlash effect, a response, a reaction to life in Europe; but it’s simpler and I think more accurate to just think of it as a culture transplant bearing fruit. The apple doesn’t fall far from the cultural tree; and first-generation migrants, often more adventurous and open to new experience than the typical person back home, will tend to have children who revert maybe halfway back to the old ways. One scholar’s backlash is another scholar’s reversion to the mean. A reminder that a cultural transplant can sometimes take a generation to show up – and a reminder that when you’re offering permanent residency to a migrant, you’re not just offering it to that migrant. You’re also offering it to that migrants’ children and grandchildren, who are likely to offer something like a 50-50 average of that specific migrant’s traits and the average traits back home.

### The Pattern

By now, cultural transplant theory has been tested out for a litany of various traits and behaviors. Sometimes assimilation theory beats out the culture transplant – most obviously with language, where the descendants of immigrants generally end up learning the language of their new homeland. But here is a series of question where answers from immigrants exhibit a culture transplant at least to the second generation: *If people don’t work, do they turn lazy? Who is responsible for taking care of a person: the individual or the state? Does a preschool child suffer if the mother works outside the home? Do you think most people can be trusted? How important is family to you? How important is God to you?*

Other illustrations of the culture transplant from homeland to immigrant show up for everything from mortgage financing to attitudes toward income redistribution. Indeed, the earliest papers on cultural transplant theory were studies of female labor market participation and female fertility among second-generation immigrants – and it appears that fertility rates migrate more reliably than labor market participation, though research continues. So whether one looks at survey questions or actual behavior, there are culture transplants everywhere. As UCLA’s Giuliano put it in a review coauthored with the late Alberto Alesina of Harvard: “When immigrants move to a place with different institutions,

overwhelmingly their cultural values change gradually, if ever, but rarely within two generations.”

That’s a good guideline to keep in mind: *Immigrants rarely fully assimilate within two generations.*

### Hire the Lucky

That non-assimilation can be good economic news, as the immigration of the Yayoi illustrates. Japan can choose to favor immigrants from countries with high savings rates, high levels of trust, and where citizens think people shouldn’t rely on the government. Even favoring immigrants from countries with high average standardized test scores from the World Bank’s Human Capital Project is another way to use information about a person’s country of origin to make the best possible decision about how a migrant’s children and grandchildren might turn out, since again, the apple rarely falls too far from the tree. When building a future nation, it’s prudent to use every available piece of information, welcoming those who are *more likely* (not certain!) to be more prudent, more intelligent, more trusting and trustworthy, and more productive. A potential immigrant’s resume can tell us some of that – but a potential immigrant’s home country can tell us even more.

### From Feeder Schools to Feeder Countries

In the world of college admissions, “feeder schools” are common: high schools that are more likely than average to send good, successful candidates to a particular college. Some high schools have better reputations than others, and so students from those schools carry a plus factor, visible or invisible, into the college application process. Japan should create a similar approach to immigration: figure out which countries are likely to send top multi-generational talent, and then make a special effort to recruit people from those countries.

And this talent search isn’t just for Google-level software engineers or Canon-level optical sensor experts: it’s for potential landscapers and shopkeepers and school administrators and everyone else who might land in the middle or higher levels of the Japanese income distribution. Indeed, one key to a welcoming high-skilled, culturally successful immigration policy would be just handing a long-term, no-job-needed long-term visa to a million or so people who meet the requirements of this new points system. Don’t require a job in advance – just let people show up and look around,

try a few interviews on a long holiday to Osaka. For promising candidates – not utopian candidates, just those who are likely to raise Japan’s long-term economic potential, people who are “quite a bit better than Japan’s average” – there should be an open-door policy, where moving from Bangkok to Nagoya for a few months to look for work becomes as easy as moving there from Hokkaido. Good job search requires some walking around, some exploration, and with a strong points-based, culture-informed immigration policy, Japan can reap the benefits of helping potential future Japanese citizens find the right fit.

### What Japan Can Offer the World

I have a strong personal interest in helping Japan to choose an immigration policy that simultaneously boosts its population and raises its long-term productivity: that’s because Japan is obviously one of the most technologically innovative countries in the world, generating technical miracles that improve lives the world round. Long ago, on a visit to the Nikon museum in Tokyo, I didn’t just see the history of Nikon’s excellence in consumer cameras; I also got to see the innovations in surveying equipment and electron microscopy that have improved construction and biomedical science. And my tour of the historic Toyota museum showed me how Sakichi Toyoda’s innovations in automatic looms in the years around 1900 are still being used today. These are just a few examples from thousands of the valuable intellectual contributions that Japan makes to the world – and a sign of how much a bigger, more productive Japan could offer the world across the 21st and 22nd centuries.

There are just seven nations in the world that create most of the world’s valuable new ideas in science and engineering. I call them the I-7. Japan is among them, along with South Korea, China, the US, the UK, France, and Germany. In coming up with my list of seven, I looked at research and development spending (total, not per capita), the number of patents per year registered in leading countries (again total, not per capita) and publications in scientific journals (you get the idea: not per capita).

Total numbers, not per person numbers, are what matter for world-shaping innovation: that’s because ideas invented in one country eventually get shared everywhere, changing lives around the world. Whether it’s the transistor invented at Bell Labs or the ammonia manufacturing process invented in Germany, or flash memory invented in Japan, these ideas become global. And since the world needs a lot of ideas, it needs countries that have a blend of a

lot of ideas per person along with a lot of persons. When it comes to innovation, quantity is its own quality.

The planet needs Japanese innovation. The I-7 nations are R&D labs for the world, and there isn't a deep bench of countries that could readily step into the gap if any of them declines into low-innovation mediocrity. India and Switzerland are honorable mentions in global innovation, but Switzerland with nine million people is too small to get massive total innovation numbers and India isn't currently innovative enough per capita to replace any of the I-7 in the near future (though by 2100 that story could well change!). And no other high-population country, even among those with middle incomes, is really in the running to become a global innovation powerhouse: Russia's problems are too obvious to mention, and populous Malaysia and Indonesia are quite generally far from the research frontier. It's the I-7 or bust. And the world and I can't afford to have any of the seven bust.

### Guest Worker Programs Don't Work in Democracies

Some immigration advocates will tell Japanese policymakers that they can ignore the downside risks of culture transplants and lower-skilled immigration by just creating temporary guest worker programs for lower-skilled migrants, like those in Singapore and the Gulf States. But good policy looks down the road, good policy considers what happens in the long run. And in the long run, democracies welcome people who stay a while. Voters aren't going to tell a guest worker who has come five times on a three-year contract that she can't stay in Japan with her Japan-born children and Japanese husband. At the very least, even if Japanese voters hold the line on strict guest worker rules for this decade, there's a real risk that they'll kindly cave in the direction of mercy, of hospitality, in the next decade. When enacting any law, one question to ask is "Once we pass this, what will our future leaders want to pass a decade from now as a result?" Oil monarchies and the land of Lee Kuan Yew may hold the line and send migrants back, but eventually Japan will not. And so Japan will reap a culture transplant, whether it plans to or not. That means Japan's migration policy should plan to create the best possible culture transplant.

### Welcoming a Re-Diaspora

It's hard to find good workers, for nations or for firms. Just across

the Sea of Japan, however, there's a nation with over a billion people to choose from: China. Domestic politics in Japan may make a China-focused migration policy impractical, though on savings rate measures and test score measures (though not in national trust measures) China appears a promising source for a successful long-run culture transplant.

But there's another nearby place for Japan to look, a region that's just poor enough that it might offer quite a lot of migrants interested in life in Japan: Southeast Asia. And there, the Chinese diaspora, which has rarely fully assimilated across Southeast Asia, could provide a welcome applicant pool for long-term workers and citizens of Japan. It's well-known that the Chinese diaspora has been, on average, economically successful across Southeast Asia, to the point that they're often known as a "market dominant minority", sometimes suffering violent oppression as a result. If the people of Japan can find a way to welcome much of the Chinese diaspora to come to Japan, to stay, to grow, to raise children and grandchildren in Japan, that itself could help to transplant the deep roots of Chinese diaspora success to the Japanese islands.

### The Road Not Taken

Most likely, none of my advice will be followed. The Japanese government will instead probably choose to welcome a small number of high-skilled guest workers who eventually go home, and a larger number of lower-skill home health aides who eventually stick around. Japan's population will decline, and with it Japan's contribution to global innovation and global flourishing.

It will take a long time for that to happen, because compound growth works in reverse: if a nation's population drops 1% per year, it still takes 70 years for population to drop in half, and 140 years to drop by three-fourths. So the decline will be slow, too slow for headlines or a visible crisis. But that decline will weaken the entire planet. And so I hope against hope that the people of Japan instead choose to expand their population by scouring the world for the best possible future citizens of Japan, by choosing the best possible future culture transplants.

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Garett Jones is professor of Economics at George Mason University, and author of the Singapore Trilogy with Stanford University Press. A portion of this essay borrows language from the final book in that trilogy, *The Culture Transplant: How Migrants Make the Economies They Move to a Lot Like the Ones They Left* (2022).