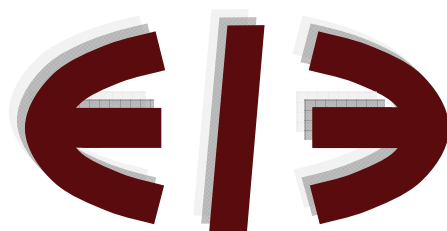


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Trial experience, satisfaction and incentive to bring another lawsuit: Does aspiration level influence winners and losers?

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## Abstract

This paper used individual level data in Japan to explore how a complainant's past trial experience influences their satisfaction and incentive to bring a future lawsuit. Controlling for kinds of incidents and a complainant's individual characteristics, the major findings were; (1) there is a positive relationship between the experience and satisfaction for winners, whereas there is a significant negative relationship for losers, and (2) experience exerts a positive effect on the intention to bring a future lawsuit, not only for winners but also for losers. These results imply that, for losers, a past experience enhances the incentive to bring a future lawsuit, although the experience decreases a complainant's satisfaction.

JEL classification:K40, K41, L52

Keywords: Trial experience, Lawsuit satisfaction, future lawsuit, winner.

## 1. Introduction

In 1999, the Japanese government established the Justice System Reform Council (JSRC hereafter) with the aim of modifying the legal system. A central issue behind the creation of the JSRC was to facilitate greater access to Japan's legal system and to enable a greater number of people to initiate lawsuits. For this to occur, policy makers must investigate the incentives for people to use the legal system. However, empirical studies using precise statistical analysis on this matter are rare. Hence, the purpose of this paper is to explore how a complainant's past trial experience influences their satisfaction and incentives to bring a future lawsuit. In this analysis, aspiration effect and learning effect are explained as forces to determine the sign of focused effects within the framework of recently developed behavioral economics. It has been found that the experience of higher income increases aspiration levels, reducing the positive effect of an increase in income on satisfaction. This can be called the negative aspiration effect. From this, I derive the argument that a previous positive experience has a negative effect on satisfaction via the aspiration effect.

Individuals appear to adapt to circumstances as time passes (Myers 1992, 2000). That is, experience can be considered to cause adaptation. In terms of welfare, it has been proposed that experience and previous conditions change people's aspiration level through an adaptation process that reduces people's satisfaction (e.g., Frey and Stutzer. 2002a,2002b; Statzer 2004). Change of aspiration level is useful for explaining the finding that economic growth is not associated with the happiness of

people in developed countries over time (Easterlin 1974; 1995). Besides the relationship between income and happiness, aspiration change has a significant role in the determination of people's satisfaction about outcomes of various economic behaviors. With respect to human behavior, as presented in habit formation theory, preference change is reflected in demand behavior (e.g., Pollack 1970; Carroll et al., 2000). Hence, aspiration level is anticipated to influence not only satisfaction but also behavior.

There appear other channels through which experience has an effect on satisfaction and behavior. People can accumulate know-how through experience, resulting in improvements in efficiency. The more affluent people's experiences are, the lower cost people incur to achieve the same result. Hence, experience leads people to repeat the action. Also, assuming that people can acquire the same benefit from the action, people are more satisfied if the cost for the action becomes smaller. If this is the case, experience is positively related to satisfaction as well as behavior. The focus of this paper is to examine the extent to which learning from experience has an effect on satisfaction and behavior.

If the positive learning effect outweighs the negative aspiration effect on satisfaction, experience has a positive effect on satisfaction. On the other hand, if the latter outweighs the former, experience has a negative effect. Considering change of aspiration and efficiency improvement together, whether experience is positively associated with satisfaction and behavior is not evident. The effect of experience might depend on the degree of benefit people obtained. This is why, for instance, a negative aspiration effect on satisfaction disappears when the benefit becomes larger than the aspiration level. This paper, therefore, attempts to divide

its sample according to benefit, and then to examine how experience affects not only satisfaction but also behavior.

In legal reform in Japan, policy makers aim to encourage people to bring lawsuits and so raise the satisfaction of those involved. For this purpose, a survey of those bringing civil actions was conducted. The survey data includes variables regarding the past experience of bringing a lawsuit, the result of the present lawsuit, self-rated satisfaction about the result of the lawsuit, and intention to bring a future lawsuit (for the purposes of this paper, “to reuse”). This data is seen as valuable for an analysis of satisfaction and behavior. Thanks to information about the result of the present lawsuit, the sample can be divided into winners and losers according to the relevant benefit from the lawsuit. The present paper uses this survey data since it allows me to compare the experience effect for winners with that for losers in the lawsuit.

The remainder of this paper is organized as follows. Section 2 establishes the setting for the study. Section 3 explains the data and methods used. Section 4 discusses the results of the estimations. The final section offers concluding observations.

## **2. Setting (Lawsuits in Japan).**

The measure by which people choose to solve conflict appears to depend not only on economic conditions but also on psychological and cultural factors. For instance, in Japan, opinions vary about how Japanese people perceive an incident and resolve it. According to the classical work of Kawashima (1963), the harmonious nature of Japanese society discourages people from litigating. By contrast,

Ramseyer and Nakazato (1999, Chapter 4) argued that despite the consensual nature of Japanese society, people do not ignore the law and assert their rights. Ginsburg and Hoetker (2006) find no supporting evidence for the hypothesis that cultural factors play a major role in Japan. It has been pointed out that because of the institutional incapacity of the legal system, judges and lawyers are not available in sufficient numbers, resulting in an increased cost of litigation (Haley 1978). In response to these arguments, in 1999, the government of Japan established the JSRC to study basic policies for modifying the legal system. To increase the use of lawsuits, the legal reform presented by the JSRC had three pillars in order (JSRC 2001, Chapter I Part 3)<sup>1</sup>. One was to “meet public expectations”<sup>2</sup>. Therefore, the justice system would be made easier to use, easier to understand, and more reliable (JSRC 2001, Chapter I Part 3).

For the legal reform to be successful, and to significantly enhance people’s use of lawsuits, a decrease in the cost of such actions would be necessary. Above all, transaction costs such as those involved in searching for a lawyer appear to be large. If people bring a lawsuit, they are likely to acquire know-how about lawsuits through their experience, resulting in a decrease in the transaction costs. Hence, people with experience of a lawsuit are expected to reuse lawsuits because of the smaller cost of the next lawsuit. On the other hand, a user’s satisfaction of the

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<sup>1</sup> A number of studies examine the Japan’s legal system in the field of economics (e.g., Kinoshita 2000,2002; Ginsburg and Hoetker 2006; Yamamura 2008).

<sup>2</sup> The other two pillars are “establishment of a popular base” and “the legal profession supporting the justice system”. For establishment of the popular base, the people need to deepen their understanding of the justice system through various forms of involvement including participation in certain legal proceedings, and shall support the justice system (JSRC 2001, Chapter 1). Therefore, the lay judge system was introduced from 2009. For the purpose of supporting the justice system, and securing a legal profession that is rich both in quality and quantity. To this end, the new bar examination was introduced.

system needs to be investigated to ensure the system meets public expectations<sup>3</sup>. Therefore, I considered the question of how the experience of a lawsuit influences a user's satisfaction to be important. Satisfaction is thought to be largely due to a decrease in the cost of a lawsuit through past experience, if other things are equal. From the point of view of traditional economics, the learning effect on intention to reuse is expected to be the same as that on satisfaction. This conjecture is, however, not obvious since past experience appears to have other influences on reuse and satisfaction.

Preferences are considered to depend on past experience (Day 1986). Individuals are temporally affected by circumstance changes, though they gradually fully adapt to the circumstances (Myers 1992, 2000). The adaptation is thought to cause aspiration change, which influences one's satisfaction (Easterlin 2001; Stutzer 2004). If this holds in the case of a lawsuit, "adaptation" possibly occurs through the experience of the lawsuit, which affects the aspirations about benefits from the lawsuit. Recently, it has been pointed out that whether aspiration tends to change or not depends on domains (Easterlin, 2005). No speculation has, however, taken place concerning the effect of the past experience on lawsuit satisfaction. Moreover, the existing literature has not examined the question whether aspiration change affects the intention to reuse. It seems interesting to examine how people's aspirations about lawsuits change, thereby making differences in the effects experience have on satisfaction and intention to reuse.

Aspiration level is thought to be affected not only by the number of experiences

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<sup>3</sup> Various kinds of subjective satisfaction were analyzed (Frey and Stutzer 2002a; 2002b). Above all, life satisfaction(e.g., Easterlin 1995, 2001, 2005; Stutzer 2004; Clark et al., 2008; Caporale et al. 2009) and job satisfaction(e.g., Antecol and Cobb-Clark, 2009; Clark et al., 2009; Jones and Sloane, 2009) drew a much attention of researchers.



of a lawsuit but also by the results of lawsuits. Hence, satisfaction and intention to reuse depend on whether one wins or not. From the view point of policy making, the efficacy of the system, however, should not be affected by whether an individual wins or not. It is necessary to encourage people to reuse even if they have previously been a loser. To provide evidence useful for policy making, it is necessary to investigate how the effects of past experience are affected by whether one becomes a winner or not. Hence, this paper attempts to show past trial experience affects satisfaction and intention to reuse, and to compare the effects of the experience of winners with those of losers in lawsuits.

### **3. Data and methodology**

#### *3.1. Data*

This paper uses individual level data constructed from the Survey of Civil Action Users conducted in 2000 (SCAU 2000 hereafter) and that in 2006(SCAU2006 hereafter)<sup>4</sup>. The survey of civil action users was conducted to provide fundamental data to explore “the state of the civil action system which is easy to use for people”. The subjects of the survey are those concerned with incidents that have been settled by a civil-affairs lawsuit in a district court. A total of 4,537 individuals and corporations were invited to participate in the survey. The survey collected data on 1,512 individuals and corporations, a response rate of 33.3%. Respondents for corporations were those in charge of judicial matters; therefore, the data about a

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<sup>4</sup> Data for this secondary analysis were from the "Survey of civil action user (Minji Sosho Riyo-sha Chosa)". The first survey was conducted by Justice System Reform Council (Shiho Seido Kaikaku Shingi-kai) in 2000. The second survey was done by Japan Law Foundation (Nichiben-ren Homu Kenkyu-zaidan) in 2006. These data were provided by the Social Science Japan Data Archive, Information Center for Social Science Research on Japan, Institute of Social Science, The University of Tokyo.

corporation could be said to reflect a personal perception. Nevertheless, because of the design of the questionnaire, the information about the characteristics of the respondents for corporations could not be obtained. This is why this paper is limited the sample of individuals.

The construction of samples used in this research is shown in Table 1. The original sample contained 1512 observations; 920 were individuals. The sample size was reduced to 536 when the sample was limited to the complainant<sup>5</sup>. Some observations were deleted because of missing values for satisfaction about the result of the lawsuit and/or intention to reuse. Furthermore, after excluding observations without valid answers for individual characteristics such as age, education, and household income, the sample size became 360. As shown in TableA1, the data includes individual characteristics such as demographic characteristics (age and sex), household income, and education. In addition, the data contains the kinds of incidents dealt by the lawsuit (money, land, accident, divorce and others)<sup>6</sup>.The observations divided into winners and losers were 267 and 93, respectively.

### 3.2. *Methodology*

Variable definitions and the basic statistics of the key variables used for estimations are reported in Table 2.

The estimated function takes the following form:

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<sup>5</sup> The definition of a winner is different for complainants and defendants. Hence, for the purpose of avoiding difficulties defining a winner, the sample is restricted to complainants.

<sup>6</sup> The incidents fall into 15 categories in SCAU2000 and 9 categories in SCAU2006. I then divided them into 5 categories to combine SCAU2000 and SCAU2006.

$$SATIS \text{ (or REUSE)}_{imn} = \alpha_0 + \alpha_1 EXPE_{imn} + \alpha_2 LAWYER_{imn} + \alpha_3 AMOUNT_{imn} + e_i + f_n + u_{in},$$

where  $SATIS_{in}$  (or  $REUSE_{in}$ ) represents the dependent variable in complaint  $i$  and incident  $n$ .  $\alpha$ 's represents regression parameters.  $e_i$  is a vector of a complainant's individual characteristics captured by the dummy variables shown in Table A1.  $f_n$  is a vector of the kinds of incidents captured by the dummy variables in Table A1.  $u_{imn}$  represents an error term. The dependent variable is the self-rated satisfaction about the result of a lawsuit and the intention to reuse. Self-rated satisfaction was measured using the question "Are you satisfied with the result of the lawsuit?". The responses could run from 0 (dissatisfied) to 5 (very satisfied)<sup>7</sup>. The intention to reuse is measured using the question "In a situation where you encountered the same incident in the future, would you resolve the matter by bringing a lawsuit?" The responses could run from 0 (not willing at all) to 5 (willing very much). Ordered Probit estimation is employed for the empirical estimations in this paper and its results are presented in Table 4 and 5<sup>8</sup>.

A cursory examination of Fig 1 reveals that the degree of a winner's intention to reuse is higher than that of a loser's, consistent with the intuition. As for satisfaction, I see from Fig 2 that winners are likely to feel higher satisfaction than losers. What is observed in Figs 1 and 2 leads me to argue that the result of a lawsuit influences not only the satisfaction but also the intention to reuse. To investigate how the result of a lawsuit influences the determinant factors, the sample is divided

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<sup>7</sup> The question is included in Question 23 (6) of SCAU 2000 and Question 29 of SCAU2006. In the case of SCAU, there are similar questions: "Can you accept the result of lawsuit?" included in Question 23 (4) and "Are you convinced with the result of the lawsuit?" included in Question 23(5).

<sup>8</sup> Theoretically, because of the ordinal nature of the dependent variables, Ordered Probit analysis or Ordered Logit analysis would be more appropriate and so has been used in the literature concerning satisfaction (e.g., Di Tella et al., 2003; Easterlin 2006; Caporale et al., 2009).

into winners and losers, and then estimations are conducted using each sample. In this paper, the winner of a lawsuit is defined as follows: as the result of a lawsuit, a winner is either (1) a party endowed with the right to demand monetary payment or (2) a party endowed with the right to demand a non-monetary payment. All other parties are defined as losers.

Independent variables used for the estimation are as follows. The past trial experience is incorporated to capture both the learning effect and the aspiration change effect. Let me begin by discussing the effect of learning on satisfaction and intention to reuse. People with experience are considered to have a greater knowledge about trial procedures and what is needed to be done. Therefore, they are able to improve the efficiency of a lawsuit by reducing costs such search costs for a lawyer and the time-cost for obtaining knowledge about a lawsuit. I thus expect that the trial experience lowers the cost, leading people to reuse when another incident occurs. It follows from this that *EXPE* is expected to take positive signs when estimations of intention to reuse are conducted. [Assuming that the result of the current lawsuit is unchanged, satisfaction regarding a lawsuit's result seems to increase if the total cost of the lawsuit is lower than that of a previous lawsuit. Hence, experienced people are more satisfied with a lawsuit's result than inexperienced ones. The anticipated learning effect of experience is indicated in the first column of Table 3.](#)

Let me turn to consideration of the effect of aspiration change. As shown in Fig 1, winners are more likely to reuse when a similar incident occurs. It follows from this that experienced complainants tend to be the winners of previous lawsuits. [To put it differently, experienced complainants are unlikely to be losers in previous lawsuits](#)

although the complainants may be the loser in the current lawsuit. Following the argument of aspiration change (Stutzer, 2004), winners in a previous lawsuit are expected to raise the aspiration level and their satisfaction depends on the difference between the benefit aspired to and the actual benefit. As a consequence, experience raises the aspiration level for a lawsuit, leading to a decrease in satisfaction for complainants. The aspiration level is not influenced by the outcome of the current lawsuit. To put it another way, the negative aspiration effect for experienced complainants does not depend on whether they are the loser or winner of the current lawsuit. Furthermore, an increase in aspiration level is thought to reduce the benefit of subjective well-being in the next lawsuit, discouraging experienced complainants from reusing the lawsuit process. The aspiration effect on reuse is expected to be negative. Aspiration effects are summarized in the second column of Table 3.

Lawyers are trial professionals and so have an important role. If the benefit from hiring a lawyer outweighs the cost to employ one, people who hire a lawyer are more likely to have an intention to reuse. In addition, in the same situation, people who hire a lawyer are more satisfied with the lawsuit result. The contribution made by a lawyer is thought to be large when people become winners. If this is true, winners hiring a lawyer are more likely to reuse and are more satisfied with the result. Nevertheless, if the cost to employ a lawyer is larger than the benefit from a lawyer, winners hiring a lawyer are less inclined to reuse and are less satisfied with the result. Hence, the signs of *LAWYER* are ambiguous for winners in the estimations of satisfaction and intention to reuse. On the other hand, a contribution made by a lawyer is thought to be small when people become losers. If this is the situation,

losers hiring a lawyer are less likely to reuse and are less satisfied with the result. These conclusions lead me to predict that *LAWYER* takes negative signs for losers in estimations of satisfaction and intention to reuse.

With respect to *AMOUNT*, the benefit of complainants seems to be mainly derived from the amount of money they obtained. By definition, losers, however, cannot enjoy any benefit from the lawsuit, resulting in dissatisfaction. The larger the dissatisfaction of losers becomes, the larger the expected benefit is. Experience of failure to obtain the anticipated larger amount of money causes complainants to avoid lawsuits. As a consequence, *AMOUNT* is anticipated to yield a negative sign for losers in estimations of not only satisfaction but also of reuse. For winners, the amount of money winner actually obtained is thought to affect the perception of complainants<sup>9</sup>. The amount of money a winner actually obtains is, however, not captured. Hence, the sign of *AMOUNT* is ambiguous in both estimations for winners.

#### **4. Results**

Estimation results of intention to reuse are presented in Table 4 and those of satisfaction in Table 5. In both tables, the results of winners and of losers are shown in (a) and (b), respectively. In each table, the result includes all independent variables in the function as shown in column (1). To check the robustness of the results, results of alternative specification appear in columns (2), (3), and (4).

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<sup>9</sup> Even in the case that a complainant wins, it seems plausible that the complainant is discontent if he can only obtain non-monetary satisfaction or a small portion of the amount of money claimed in the lawsuit.

#### 4.1. *Intention to reuse*

I now discuss the results concerning intention to reuse. I see from Table 4(a) and (b) that *EXPE* produces significant positive signs in all estimations. I found it interesting that past experience encourages complainants to reuse regardless of whether they are winners or not. This suggests that the positive learning effect on reuse outweighs the negative aspiration effect. Furthermore, it is interesting to observe that its coefficient for losers is 0.04-0.05, which is approximately the same for winners. The past experience of a lawsuit makes a contribution to the enhancement of reuse even when complainants cannot obtain any benefit in the current lawsuit. From this I derive the argument that the behavior of experienced complainants is less likely to be influenced by the result of the current lawsuit since their behavior depends not only on the current result but also on the results of any previous lawsuits.

As shown in Table 4 (a) and (b), negative signs of *LAWYER* appear not only for losers but also for winners. This result is in line with the anticipation for losers. Since the pass rate for the bar examination has been very low (Kinoshita 2000, 2002), there has been an insufficient supply of lawyers into the Japanese market. As a consequence, the market for lawyers is not competitive, leading to a decrease in lawyers' incentives to provide good service. This might be the reason why that hiring a lawyer has a detrimental effect on the intention to reuse, regardless of a lawsuit's result. That is, the less competitive the lawyer market is the more it deteriorates the quality of lawyers, resulting in an impediment to reuse. *AMOUNT* produced positive signs for winners while being statistically insignificant. On the other hand, for losers, *AMOUNT* yields the anticipated negative signs and is

significant at the 1 % level. As well, absolute values of coefficient for losers are remarkably larger than those for winners. As predicted, the amount of satisfaction that complainants fail to get, has a detrimental effect on intention to reuse for losers.

#### 4.2. *Satisfaction*

I now turn to the results of the satisfaction estimations. Looking at Table 5(a) shows that the coefficient signs of *EXPE* are positive in all estimations. However, they are not statistically significant in all columns. My interpretation is that learning from past experience leads to a reduction of cost, thereby increasing satisfaction for winners. This positive effect of *EXPE* is, however, attenuated by the negative aspiration change effect. As observe in Table 5(b), *EXPE* yields significant negative signs in all estimations, implying that past experience reduces satisfaction for losers<sup>10</sup>. This suggests that a negative aspiration change effect significantly outweighs a positive learning one for losers. Combining the results of winners and losers shows that the aspiration change effect is remarkably larger for losers than winners. Further, the potential bias of the empirical analysis caused the aspiration effect to be underestimated. The relationship between experience and satisfaction is affected by the actual benefit. If experienced complainants can obtain benefits that are larger than those aspired to, experience results in an increase in satisfaction.

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<sup>10</sup> As shown in Table 2, there are repeaters who have experiences more than 40 times. Hence, the results are possibly driven by the outliers. On the other hand, there is number of litigants who do not have an experience. For the robustness check, I also conduct the estimation by using the sample which restricted to those who have experiences of lawsuit between 1 to 40 times. The sample size reduced approximately one thirds of the unrestricted sample. However, besides Table 4 (a), the results do not change. Concerning Table 4(a), *EXPE* takes the positive sign while it is not statistically significant. This might be due to the drastic reduction of sample size.



The aspiration effect of experience on satisfaction is thus negative for losers, because a loser's benefit is zero. By definition, the benefits of winners cover a wide range, so it is not clear whether an actual benefit outweighs the benefit aspired to or not. However, the negative aspiration change effect possibly becomes, to a certain extent, smaller for winners.

As for *LAWYER*, its coefficients show negative signs in all estimations, and are statistically insignificant. This is similar to the estimation results of reuse. Consistent with the discussion about the result of reuse, competitive pressure in the lawyer market is low so that lawyers have little motivation to provide good service. As a consequence, because of lawyers' disappointing performances, users of lawyers are dissatisfied with the result of a lawsuit even if they are winners. To improve the performance of lawyers, I found it very important to make the lawyer market more competitive and then to give lawyers incentives. This supports the direction of legal reform to increase the supply of lawyers by introducing a new bar examination.

Coefficients of *AMOUNT* take positive signs for winners, despite being statistically insignificant. On the other hand, they take significant negative ones for losers. These effects of *AMOUNT* on satisfaction are the same as those on intention of reuse.

#### 4.3. Discussion

What has been observed thus far suggests that, for winners, similar results are presented in estimations of both intention to reuse and satisfaction. On the other hand, for losers, it is interesting that opposite results of *EXPE* are obtained for the

estimation of intention to reuse and that of satisfaction. That is, past experience encourages complainants to reuse whereas experience does not always increase satisfaction. It follows from this that experienced complainants tend to reuse even if they are not satisfied with the result of the current lawsuit. This seems to be at odds with the view of policy makers that “meeting public expectations” leads to an increase in numbers of those bringing lawsuits. In my interpretation, the difference of the *EXPE* effect between intention to reuse and satisfaction might be mainly to the result of aspiration change, which is closely related to satisfaction but not to behavior. This is in line with the argument that preference changes have stronger implications for individual welfare than the prediction of human behavior (Hollander 2001). This leads me to argue that aspiration change during the process of adaptation creates a gap between welfare and behavior for those who bring lawsuits.

It is important for legal reform to remove any obstacles that prevent conflict resolution in Japan. These obstacles seem to be caused in part by a lack of people’s knowledge about lawsuits. Hence, it is necessary to increase potential users’ knowledge about how to use a lawsuit. “Making it easier to use” has an important role, especially in encouraging inexperienced people to bring a lawsuit, thereby increasing their knowledge about lawsuits through learning. This leads to increasing people’s choices to deal with conflict when an incident occurs, although whether they resolve it formally or informally depends on individual preference.

## **5. Conclusion**

From the view point of traditional economics, people are thought to acquire

know-how through experience, which improves their performance. Whereas, according to psychological economics, people tend to adapt to circumstance through experience and then aspiration level changes, reducing the income effect on satisfaction. That is, experience has a negative effect on welfare, but a positive one on behavior. It seems plausible that welfare is associated with behavior since intuitively satisfaction as an outcome of a behavior leads people to behave more positively. It also seems appropriate that improving performance increases satisfaction. Considering these effects of interaction between welfare and behavior, it is not evident how experience is related to satisfaction and behavior. Thus this paper attempted to analyze the effect of experience by examining users' satisfaction and intention to bring future lawsuits in Japan.

What comes out of the individual level data about complainants can be summarized as follows: (1) a positive relationship between experience and satisfaction exists for winners, whereas a significant negative relationship exists for losers, and (2) experience exerts a positive effect on the intention to reuse, not only for winners but also for losers. These results imply that a past experience has the same effect on both satisfaction and intention to reuse for winners, but the experience has an opposite one on losers. It is interesting that the effect of experience on intention to reuse does not vary according to the lawsuit result, while that on satisfaction varies. This might be because a change of aspiration influences satisfaction but not intention to reuse. Furthermore, the negative effect of aspiration change on satisfaction is larger for losers than for winners. This might be because a winner's benefit possibly outweighs the benefit aspired to. I arrive at the conclusion that aspiration change has an influence on satisfaction but not on

behavior.

For an evaluation of economic policy, it is necessary to consider outcomes in terms of welfare as well as those of behavior. Legal reform in Japan aims to “make it easier to use” a lawsuit to increase users. In this case, aspiration change through experience leads to a decrease of satisfaction. On the other hand, while the policy improves market conditions by removing obstacle to bringing a lawsuit, whether a person brings a lawsuit or not depends on their individual preference. Even if people acquire sufficient knowledge and know-how about lawsuits, because of the harmonious characteristic of Japanese society, there is the possibility that no drastic change in people attitudes towards lawsuits will be brought about. If this is the case, it is critical to increase peoples’ choices to deal with conflict, which will increase the numbers bringing lawsuits in the long run.

The benefits winners achieve cover a wide range. This paper does not take into account differences among winners so the estimation results for winners suffer from bias. Hence, further research considering this issue is called for. Furthermore, this research is concerned with a specific issue in a specific place. Thus more investigation is needed to examine how aspiration change affects satisfaction and behavior.

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