

# GLOBAL POPULATION MEGATRENDS AND JAPAN'S DEMOGRAPHIC CRISIS

Devastating Threat or Manageable Challenge?

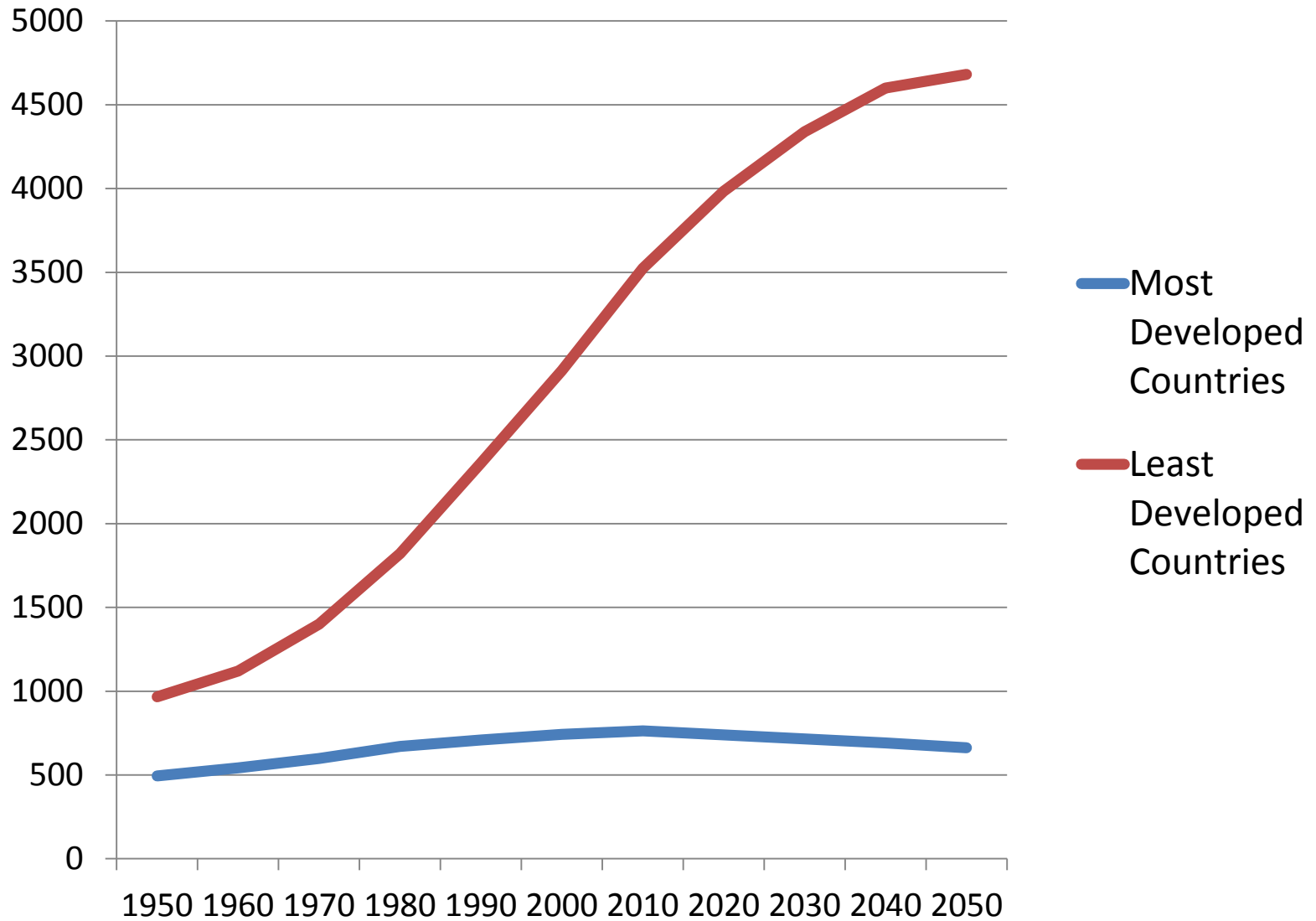
*Jack A. Goldstone*



# The World Is Changing in New ways

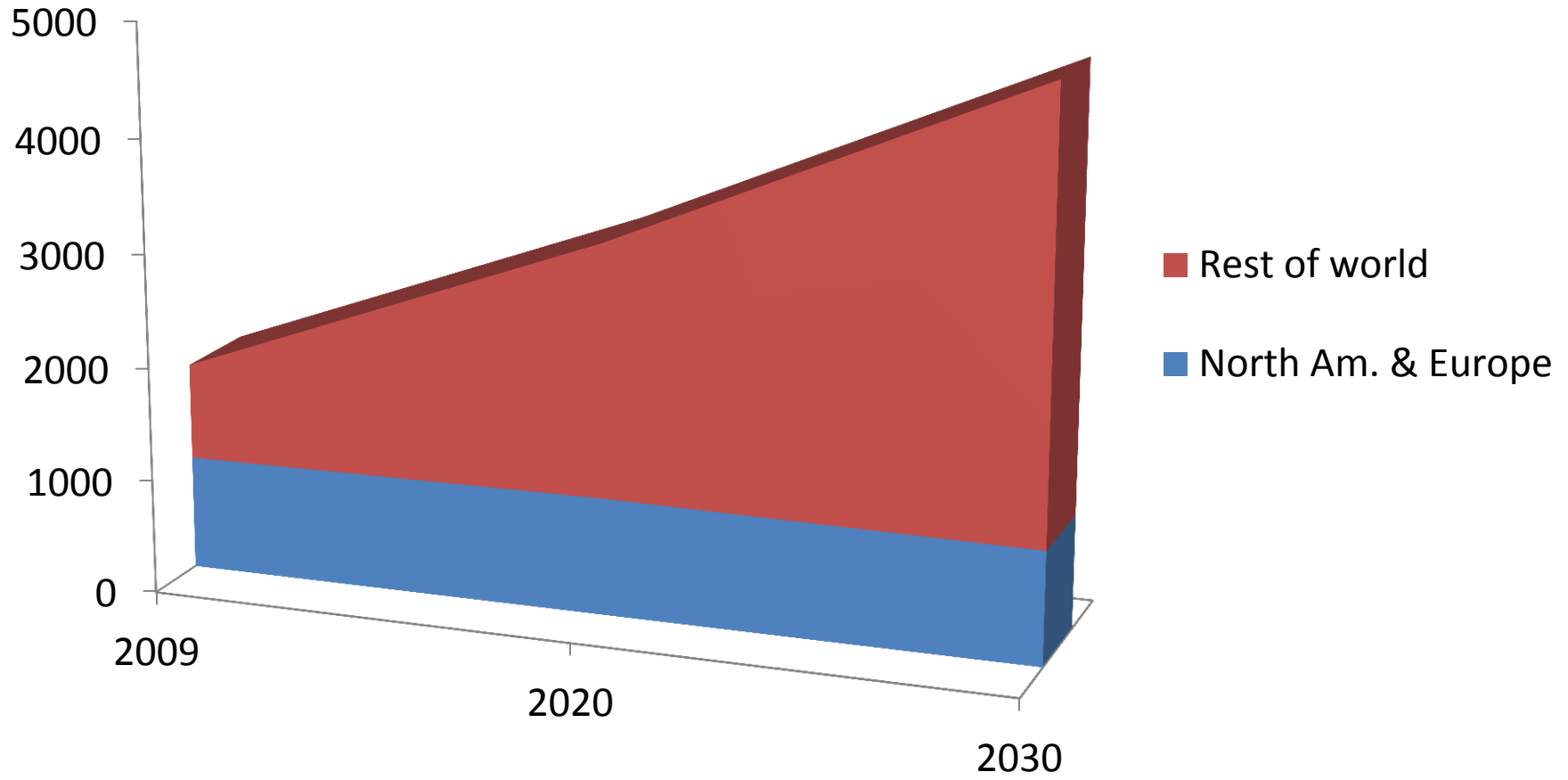
- There will be unprecedented aging and the loss of young workers and consumers in rich countries
- Urbanization is shifting population locations and employment
- The Global Middle Class, which is poorer and in poorer countries, will be the major source of economic growth instead of rich country populations and China
- China is slowing down and will enter its own demographic crisis
- ALL OF THESE TRENDS ARE AFFECTING JAPAN PERHAPS MORE STRONGLY THAN ANY OTHER NATION

# Global Labor Force Growth (millions)



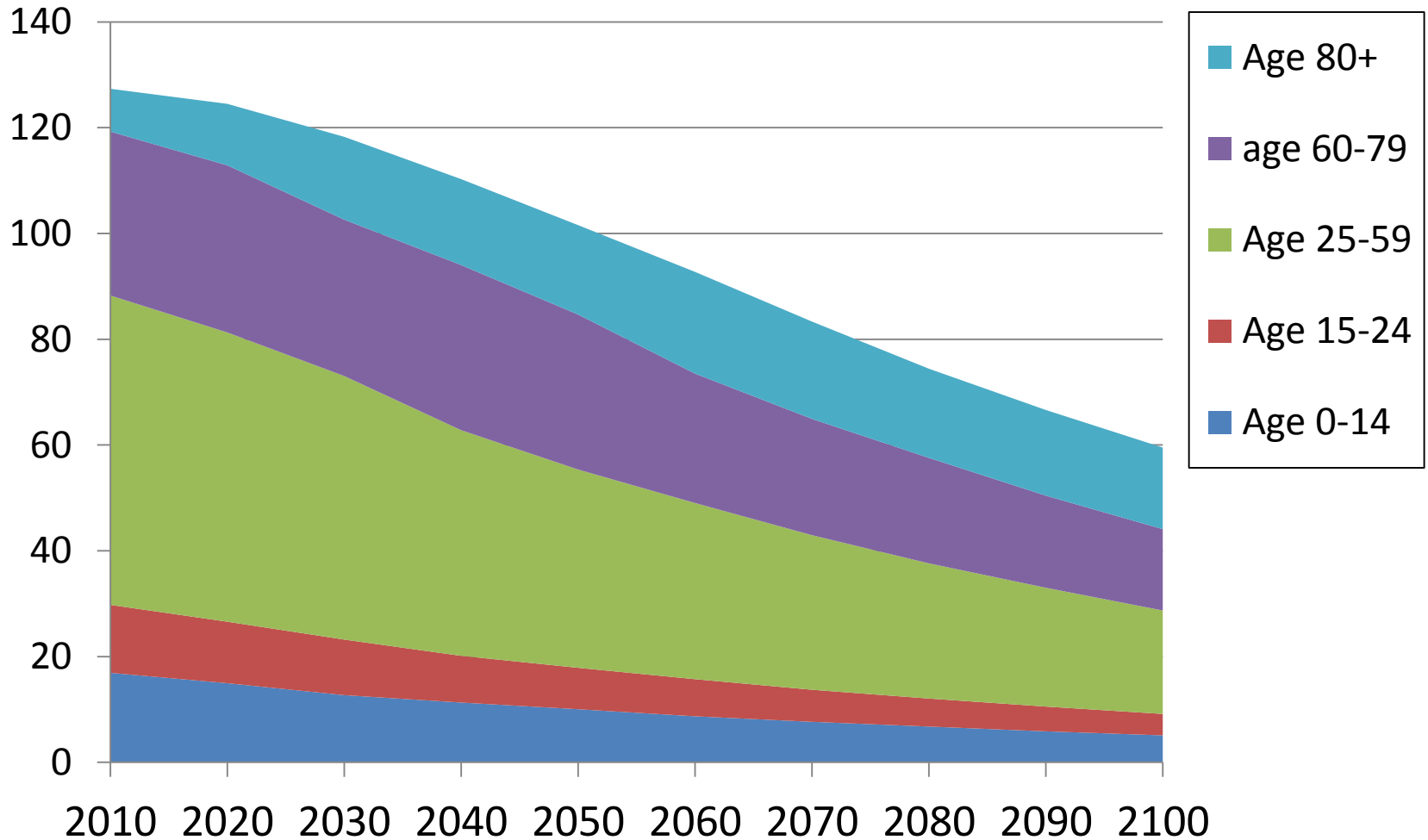
# The Global Middle Class

## Millions

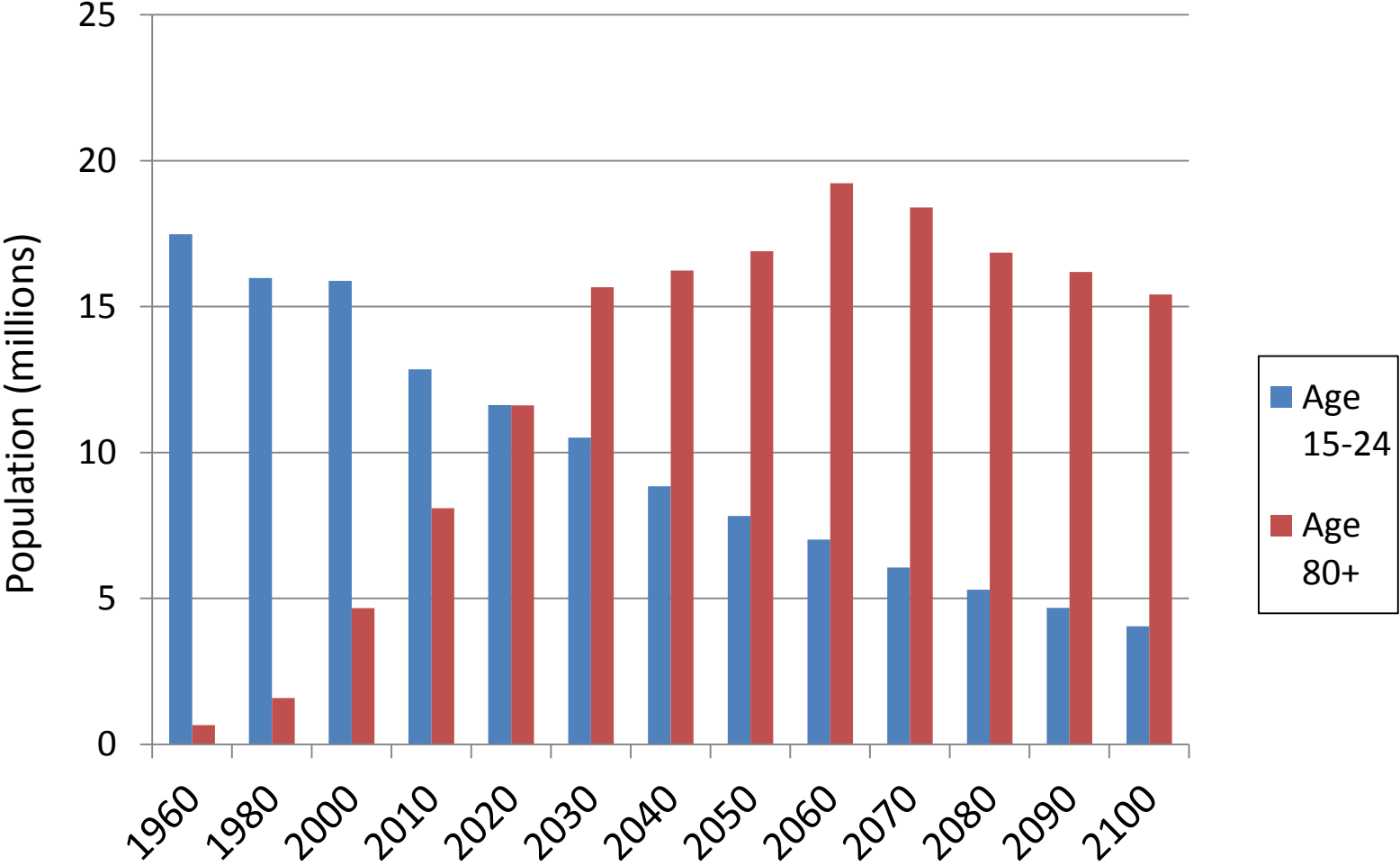


# Japan's Population by Age Group

## Projection to 2100 (millions)

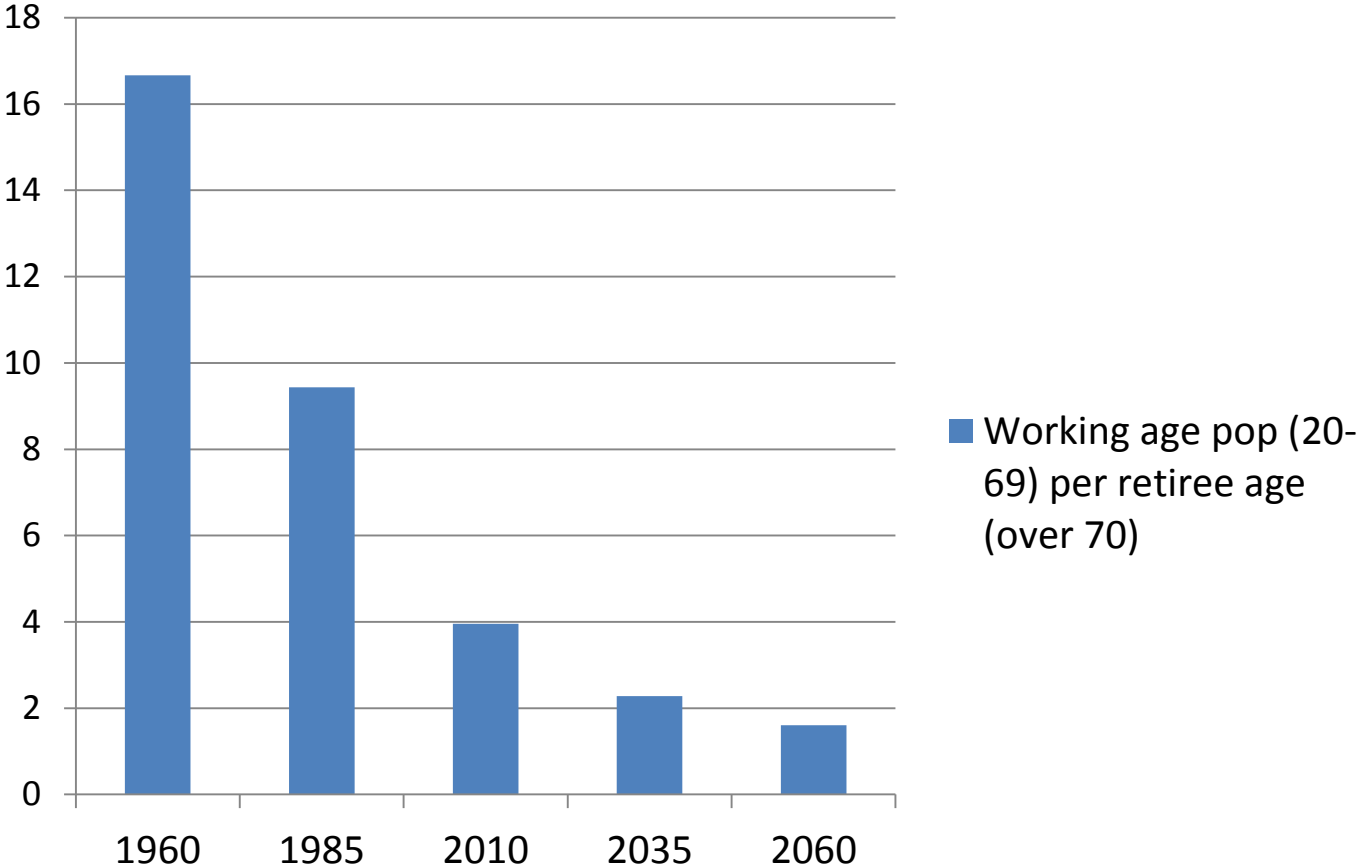


# Old vs. Young in Japan, 1960-2100

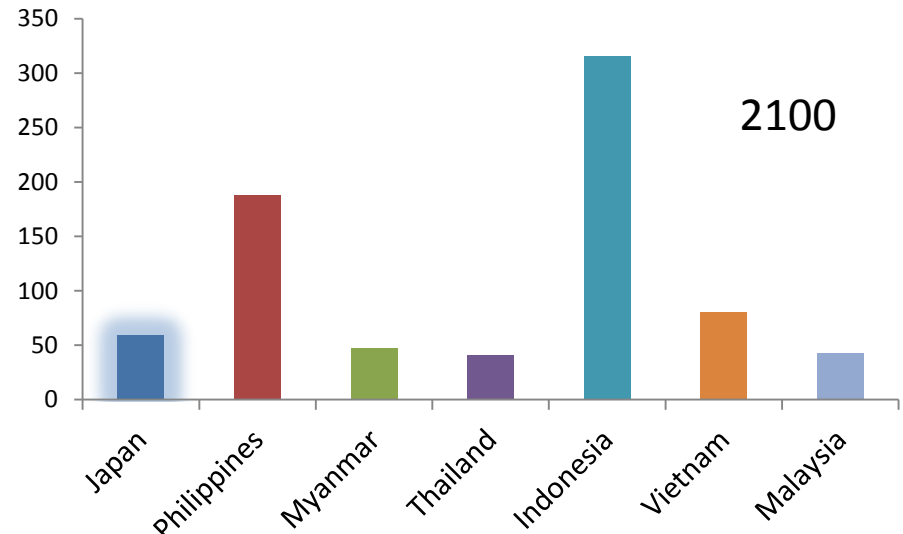
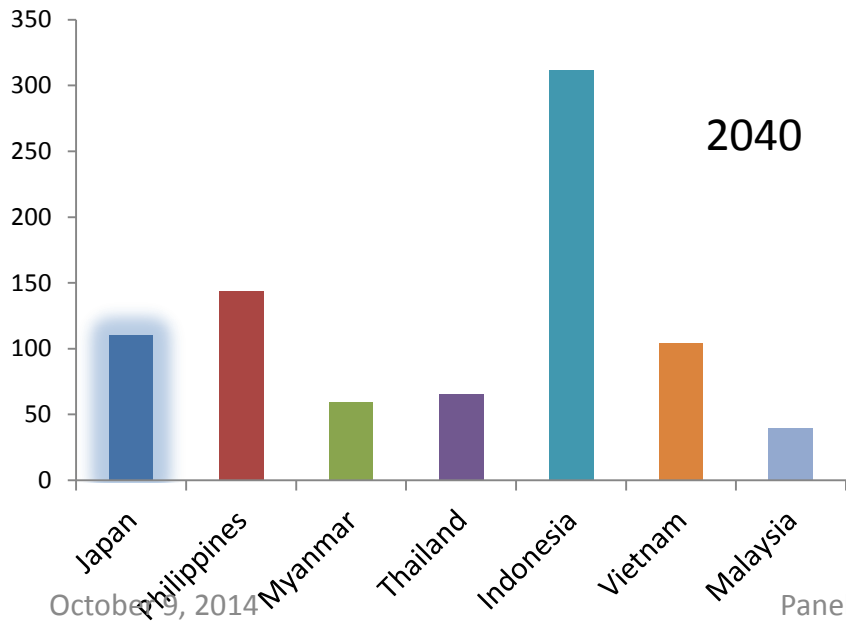
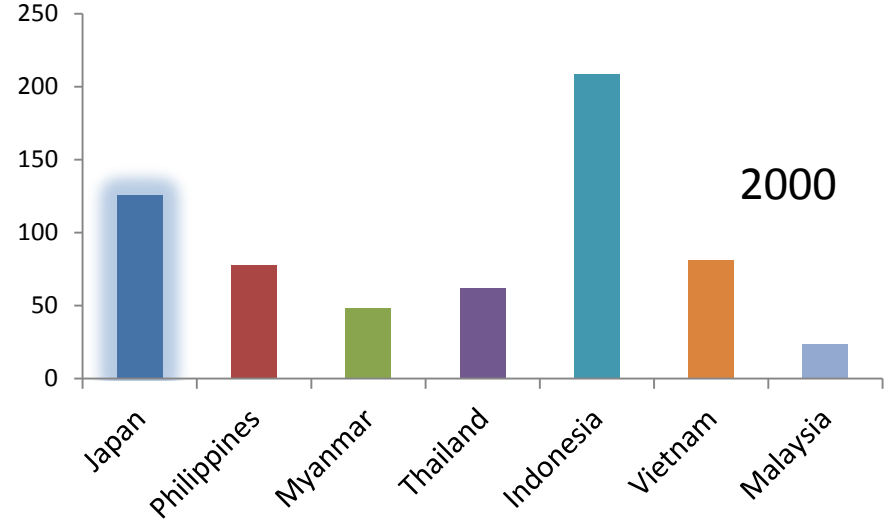
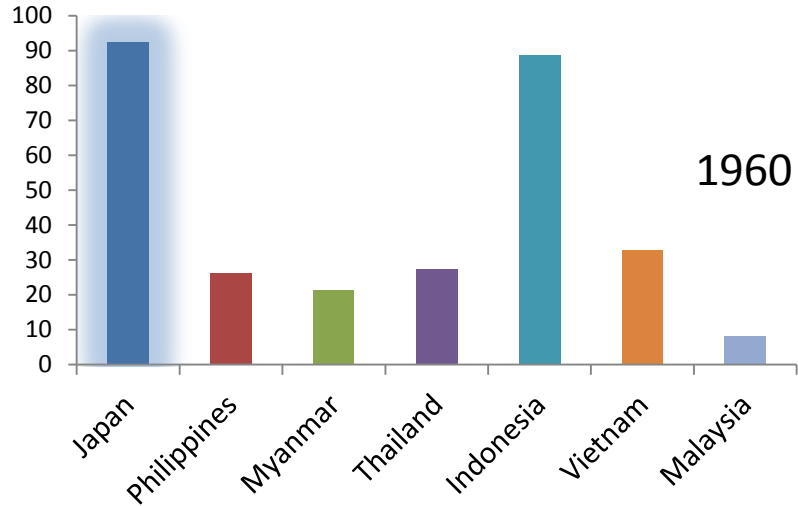


# Pension and Health Support Ratios in Japan, 1960-2060

Working age pop (20-69) per retiree age pop (over 70)

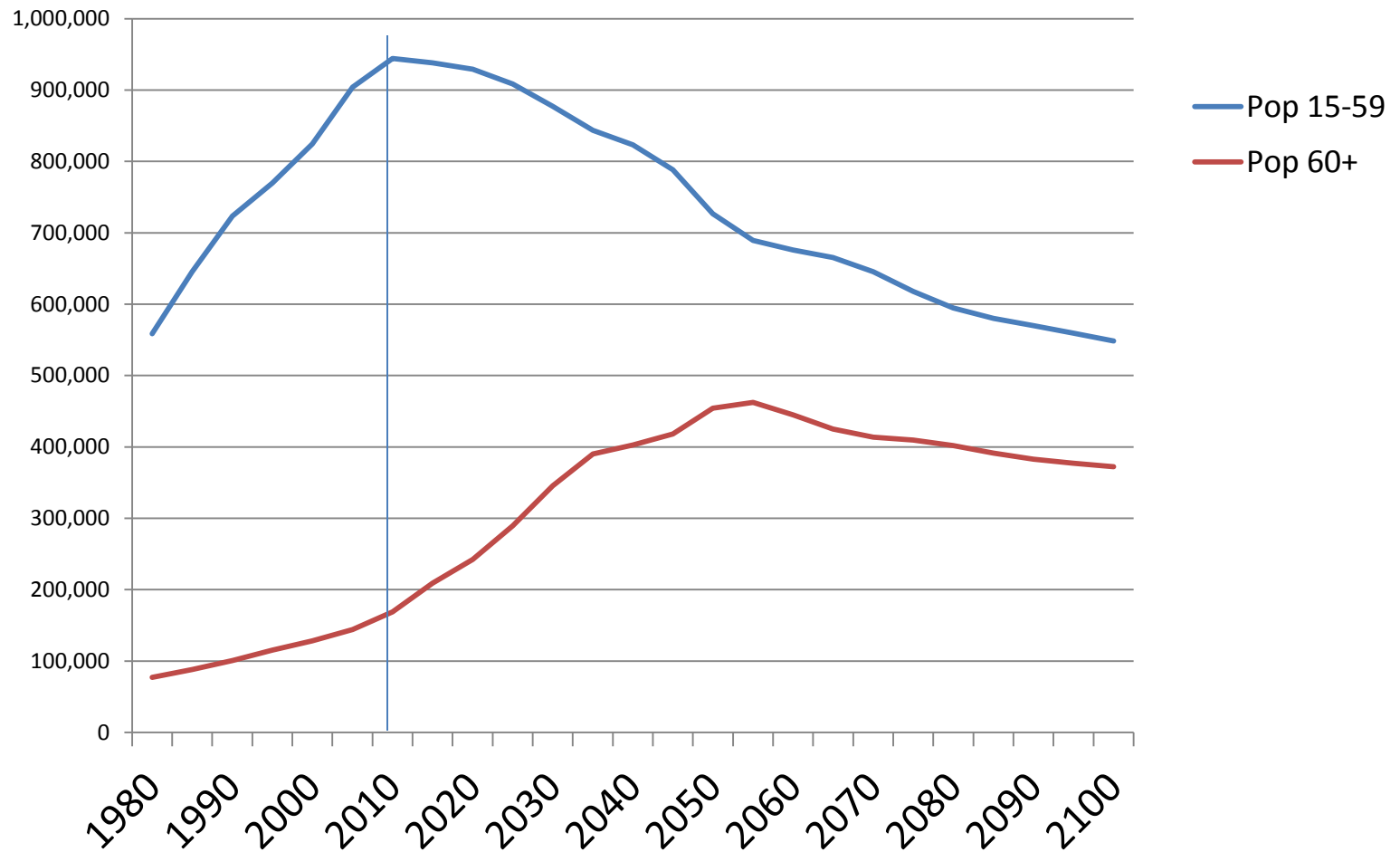


# Japan in Asia: A Different Future





# Incredible Shrinking China



# Solutions (1)

- Let Women Work
  - Japan has one of the lowest female workforce rates in the world; Japan could increase GDP by 12% -- 10 years growth! – by equalizing male and female labor force engagement.
- Let Women Have Families AND Work
  - On-site nurseries, support for working women, career allowances for children, better balance of work and family time for women AND men

# Solutions (2)

- Allow Immigration to Meet Japan's Needs
  - Construction, elder care, agriculture & fisheries
  - Science and Technical/High Skill workers
- Innovate in Elderly Care and Lifestyle
  - Become a world leader in the fastest growing global market
- Be Global, Stay Japanese
  - Emphasize Community and Quality, Borrow the Best and Improve
  - Recreate Japan's success

# Solutions (3)

- Partnerships in Asia will be vital
  - Philippines, Vietnam, Myanmar, Indonesia, Malaysia, Thailand
  - Economic Growth will be mainly in south and southeast Asia, Africa and the Middle East
- Security will depend on external support
  - Closer relationships with NATO, ANZUS
  - Balancing China, which will face its own demographic crisis very soon