

The Foreign Policy and Security Implications of Global Aging for the Future of Japan-U.S. Relations

Report of the Sixth Annual
Japan-U.S. Joint Public Policy Forum

OCTOBER 9, 2014





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INTRODUCTION

Seeking Answers to the Global Challenge of an Aging Society

Shihoko Goto

The population bomb is ticking across industrialized nations, including Japan and the United States. The exact estimates may differ, but the message is the same: life expectancy in wealthier nations continues to grow on the one hand, leading to a rapidly aging society, while a fall in birth rates will put growing pressure on taxpayers on the other. How to manage that apparent imbalance in the population equation is a challenge that will only continue to grow further in coming years, given that there is no single, quick-fix answer to a looming question.

Balancing the opposing demands of an aging society and a lower birth rate is a conundrum that has been much discussed. Yet the dilemma of a rapidly aging society is not simply an economic one. It also runs the risk of upsetting national security and thus impacting foreign policy directives as well.

So it should come as no surprise that in identifying an issue of mutual concern for both Japan and the United States for their sixth annual public policy conference, the Wilson Center and the Sasakawa Peace Foundation identified global aging as the topic that would bring experts from the two countries to discuss not only the challenges ahead, but opportunities for cooperation in the future.

At the October 9, 2014 conference held in Tokyo, the Wilson Center and the Sasakawa Peace Foundation came together once again to discuss an issue of global importance that could gain from closer cooperation between Japan and the United States. Launched in 2009, the annual meetings have dealt with a broad range of issues of mutual concern including the

U.S.-Japan security alliance, international financial stability, and the global energy outlook.

There is no doubt that fundamental demographic changes are also a challenge from a security perspective that need to be addressed by industrialized and developing nations, at the local, national, and global level. A declining population as a result of falling fertility, coupled with a rapidly aging society, is a reality that is already confronting East Asian nations and is expected to be exacerbated further in the years to come. The situation is particularly striking in Japan, followed closely by South Korea which is facing a demographic reality similar to that of Japan's. China too is facing its own demographic challenge as a result of decades of an overly successful one-child policy. So rather than confronting a population surge as widely feared until recently, Beijing's new reality is that of meeting the needs of an elderly population while it strives to keep its economic as well as military and political growth trajectory. Russia too is facing the possibility of the steepest population decline among major countries in recent years, and that demographic trend will have considerable repercussions on the country's outlook for growth and stability.

As for the United States, its underlying demographics may be more favorable than other industrialized nations, but there is no doubt that it too is facing significant fiscal constraints amid an aging population that in turn could impact foreign policy directives.

At the latest public policy forum, former U.S. Senator **Jim Webb** delivered the keynote address to discuss such security as well as economic concerns stemming from an aging society in the United States, Japan, and beyond.

Moderated by president of the Global Aging Institute **Richard Jackson**, the first panel discussion was entitled "Identifying Demographic Risks in the Developed World and East Asia" with **Keisuke Nakashima**, associate professor at Kobe City University of Foreign Studies, **Jack Goldstone**, Wilson Center fellow and professor of public policy at George Mason University, and **Keiichiro Oizumi**, senior economist at the Japan Research Institute. Participants sought to shed light on a broad range of topics including the impact of aging on military capabilities including manpower and fiscal realities as well as on societies at large.

The second panel discussion with **Mark Haas**, professor of political science at Duquesne University, **Heigo Sato**, professor at Takushoku

University's Institute of World Studies, **Andrew Oros**, director of international studies and associate professor of political science at Washington College, and **Akihiko Yasui**, head of the Europe and the Americas research department at the Mizuho Research Institute was moderated by former Wilson Center Japan scholar and Tokyo University's professor of American government and history, **Fumiaki Kubo**. During the two-hour session entitled "Renewing the Japan-U.S. Partnership in an Aging World," the discussion focused on the consequences of the demographic shift on bilateral security as well as economic relations.

The Wilson Center remains deeply indebted to the Sasakawa Peace Foundation for their continued support for research and activities concerning Japan, including the latest joint public policy forum on global aging. Our sincerest gratitude must be expressed too to Keisuke Nakashima, who has taken the lead from conception to implementation of this program. Without his commitment, this endeavor would not have been possible.

The day-long conference brought together nearly 200 policymakers, analysts, academics, journalists, and students focused not only on demographic issues but also security issues, highlighting just how global aging will have a wide-ranging impact across borders. The discussions also made clear that there are numerous opportunities for Japan and the United States to engage and work together to offset some of the anticipated hurdles as a result of changes in population makeup. The latest public policy conference thus not only identified the problems looming ahead, but also new opportunities for the global community to come together to address a common challenge that is expected to loom ever larger in the years ahead. We hope that this dialogue will help pave the way for experts not only to share ideas, but also to collaborate in forging common public policy goals.

Shihoko Goto

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Washington DC

KEYNOTE SPEECH

Population Shifts and the Outlook for Global Security

Jim Webb

In his keynote address to the sixth annual joint Wilson Center-Sasakawa Peace Foundation public policy forum, former U.S. senator and presidential candidate Jim Webb outlined some of the concerns as well as opportunities for the United States and Japan in tackling issues stemming from aging societies.

Following is an excerpt from his presentation:

“The question of aging societies and extremely low fertility rates is, of course, a different one and it’s newer, it’s fresher, it’s the kind of an issue that we need to be studying. And I salute the people who put together this conference and the people who have been studying this issue for the work that they have been doing on this issue. It does affect, long-term, the budget priorities of a government. It changes the balance of the workforce, as has so often been commented on. It can affect the make-up of the military. There have been some comments made that if you have fewer children, there would be less of a tendency for one of the children in that family to want to go into the military and risk his or her life. There’s another piece of that too, when you think about it, and that is when you have a lower fertility rate and a much longer life expectancy, do you really want to go into the military and do the things that particularly our infantry people have to do, which I had to do in Vietnam, which my son had to do in Iraq, both of us as Marines? Do you want to have the wear-and-tear on your body or risk your life at a very young age when your peers are not going to go through those experiences and are possibly going to live longer and healthier lives?

It affects, directly, the budgets in the military. But perhaps not as much as people might think. There have been some arguments saying that with

fewer people able to enlist that the personnel costs will eat up more of the defense budget. I would say, as someone who’s spent a big part of my life either in the military or studying it, including five years in the Pentagon, that this tendency toward higher personnel costs began well before any notion of smaller population. It came as a result of the creation of the volunteer military system. When you’re going to pay a person who goes into the military based on the value of the service, as is determined by the government, as opposed to expecting people to come into the military and serve simply as a manner of duty, which was the case when we had conscription—it’s true that the healthcare costs and the Pentagon budget are very high. But it’s also true that the healthcare costs in the United States are very high. We spend 17 percent of our gross national product on our healthcare programs right now. There are better ways, I believe, more efficient ways that the United States as a whole can cover its medical expenses. But if it’s going to be high-cost inside the military—I mean outside the military, it’s going to be high-cost inside the military as well.

There were a number of debates with respect to how to respond to a shrinking population. I can remember being here in Japan as a journalist in October 2002 interviewing different thought leaders and government leaders about the state of modern Japan, what would our relationship look like in the future and the issue of the smaller population was a big topic in 2002. And the debate, obviously, was can robotics do the job in terms of a lot of the shrinking workforce or should immigration do the job? And the argument at the time was that to the extent possible robotics were preferred because the jobs that were being replaced were not high-tech jobs and when you bring an immigrant population and you’re going to pay, the long-term social costs—retirement, healthcare, et cetera—that you wouldn’t pay. There’s a certain limit to how far robotics can go and I’d be interested to see where the debate is on that today.

Also I think there are countries that are sort of outliers in this debate. And when I say outliers, I mean there are countries whose patterns right now don’t fit into the larger question that we are discussing. South Korea is a good example of that, from my own personal observation. South Korea actually has a lower birthrate than Japan’s, from all the data that I have seen. They’re a very vibrant society but also they have a large number of emigrants out of

the country. In Northern Virginia, where I live, just in the northern part of our state we have 80,000 Korean-Americans. A much, much higher population lives in Southern California. So I don't know how that's going to work out long term with respect to the vibrancy of the South Korean society. If you have a very low birthrate and if you have a high out-migration to other countries, what is that going to look like 10 or 20 years from now? I don't have the answer to that, but it's interesting to look at that phenomenon.

And then we have the more traditional areas, which are being discussed in terms of lower population growth—Japan, Western Europe, Russia—and countries like China, whose population growth decreased as a result of government restrictions rather than personal decision-making. And it's going to be interesting to see how that turns itself around, possibly just by the restriction of government policies. We'll see on that.

And finally, there's a question that I've heard raised frequently about the strength and the willingness of a more aging population to respond to international crises. My view is that that will not affect the willingness of any country to respond. I believe that, quite frankly, the more you understand about the traditions of your culture and your country and the more you want to sustain the greatness of your country into future generations, the more willing you will be to face up to crises around the world.

So the phenomenon, although it's been here for us to look at for a long time, is very new in terms of how we study it. And I welcome the kind of discussion and debate that you will have here at this conference. The bottom line in terms of the relationship between the United States and Japan and the importance of this relationship is that alliances are based on shared interests and largely on similar systems of government. The United States and Japan have, over a period now of almost 70 years, developed a proven common interest in this vital alliance. And, in many ways, the stability of all of East Asia depends on it and will continue to depend on it in the future. “

In a question and answer session moderated by the Wilson Center's director of population, environmental security, and resilience Roger-Mark de Souza that followed immediately after the speech, Webb addressed a wide range of issues including the U.S.-Japan alliance, territorial disputes in the East China Sea, and military spending.

Questioned about the correlation between military commitments and population decrease, Webb stated: “I think the starting point in the development of any force structure in a military—and “force structure” is a term of art, it's how you size your military, what roles and missions you give them, what tasks they perform—the starting point is what is your strategic objective. And the best example to use on that is the size of the American military. When the United States is engaged in ground operations—overseas ground operations—the size and shape of the military changes. You typically will see a much larger army and marine corps and smaller, sometimes, naval forces, as we see now, and strategic systems et cetera. So the first thing that I would say is it is the prerogative of the Japanese government and the Japanese defense planners to shape their military according to the missions that they want it to perform. When you have a higher technology-based military, you will have your ground forces—just by the nature of what they are required. We used to have in the United States a much, much larger army. We had—during the time I was in the military I think our active duty forces were about three million. When I was in the Pentagon in the 1980s they were about 2.1 million, active duty—did not count guard and reserve. With high-tech and remote weapons systems, special operation forces and fewer, you know, fewer probable incidents of large ground units facing each other, you're going to get a different size to your military.

So the biggest question is the uses to which the Japanese want to put their military and then the secondary question is the cooperation between the United States and Japan. And I'm sure there are many discussions that are going on.”

PANEL DISCUSSION I

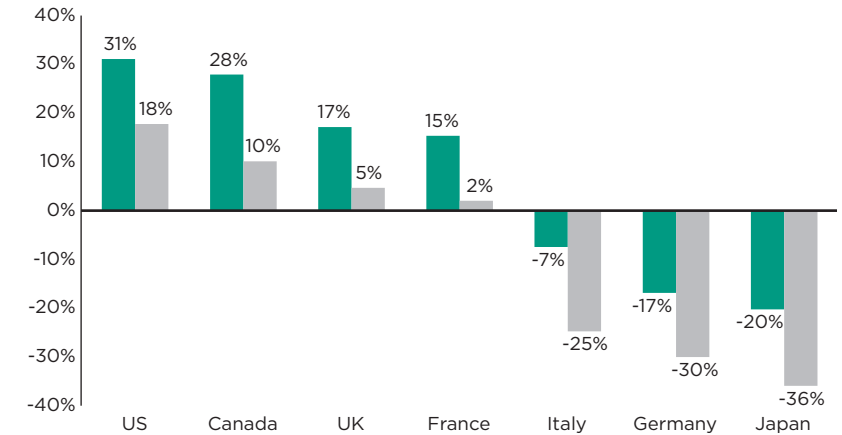
Identifying Demographic Risks in the Developed World and East Asia

Population aging and decline have a direct impact on national as well as global security. The fact that the elderly will account for 25 percent of the population by the middle of the century, and could rise to as much as 40 percent in Japan, it is a significant concern politically and socially as well as economically. In opening the first panel discussion on the geopolitical risks of demographics, Global Aging Institute president **Richard Jackson** pointed out that the most obvious constraint of an aging society would be manpower shortages which would impact military power. In addition, a growing elderly population would put greater fiscal pressure on governments to spend on pensions and healthcare. He argued that preserving the current benefits systems for the elderly would cost an additional 10 percent of GDP over the next few decades in the developed world.

In order to preserve the benefits systems, governments would either have to cut back on spending in other areas, including defense and development assistance, or be prepared to run greater fiscal deficits. While Jackson acknowledged that higher labor force participation by the elderly together with greater productivity could make up for some of the economic loss, savings would fall as workers become older.

“Population size and GDP size together are powerful potent twin engines of national power, of geopolitical stature and national power. A larger economy means more resources to devote to the hard power of national defense and to the semi-hard power of foreign assistance. It also may increase what is often called ‘soft power’ because one’s global business reach, one’s leverage with multilaterals, one’s clout in the global culture and global media depend to some significant extent on one’s economic heft,” Jackson said.

Fig 1. Cumulative Percentage Change in the Total and Working-Age Populations (Aged 20–64): 2010–2050



Source: UN (2013)

The United States will be the only major industrialized nation that will have a growing workforce and a growing population. Nevertheless, there are a number of hurdles for U.S. policymakers to overcome too, including low national savings rates and high healthcare costs.

In order to handle the impact of global aging, Jackson called for “reforms that are every bit as sweeping as the demographic transformation itself.”

“We’re talking about a complete overhaul of old-age benefit systems, about major tax reform and labor market reform that boosts savings and increases labor force participation, about forging new security alliances with younger and still growing emerging markets that share our basic values, and, in fast-aging countries like Japan, we’re talking about reversing the demographics themselves through comprehensive pro-natal policy and perhaps immigration because at a 1.3 fertility rate there is no long-term solution,” he added.

As for **Keisuke Nakashima**, associate professor at Kobe City University of Foreign Studies, he pointed out the anticipated crisis of the 2020s and

the looming risks as a result of aging societies. Nakashima cautioned against Japan’s over-confidence about technological innovation offsetting the looming population challenge.

In addition, he noted that the partnership between Japan, the oldest nation in the developed world, and the United States with its robust demographics would be impacted from the impending shifts in population composition. Nakashima said that while the United States requires further military commitments to secure global security amid growing threats, Japan will be facing greater constraints to meet those needs as a partner, not least because of its population aging.

Finally, how Japan and the United States with China as it too deals with a rapidly aging society will be an issue of concern for both Tokyo and Washington in the years ahead. Having posted rapid economic growth on the one hand, and growing public political disgruntlement on the other, how Beijing responds to the changing needs of its aging society and how it will be reflected in Chinese foreign policy will be of concern for both Japan and the United States.

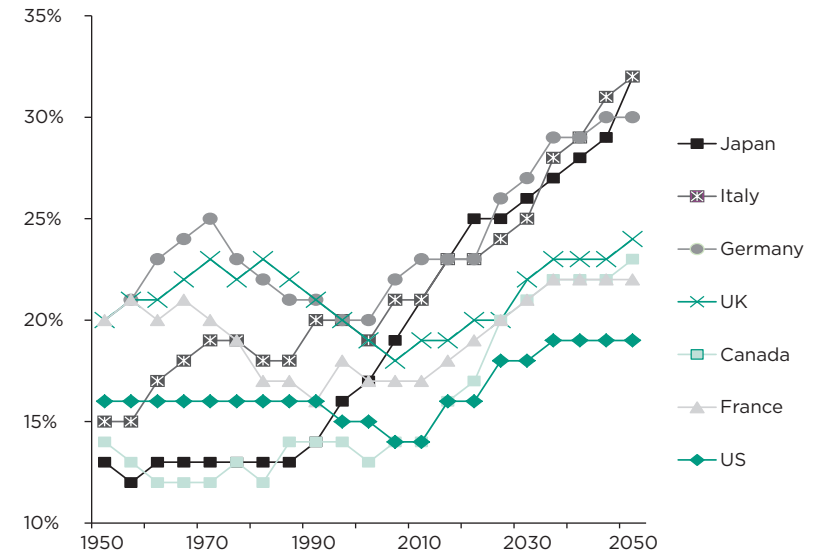
Wilson Center fellow and professor of public policy at George Mason University **Jack Goldstone** too agreed that China’s impending population crisis could pose a threat for international security, depending on how China reacts to its own internal crisis.

“Japan is in some ways feeling the brunt of these changes more than any other country. Its markets for exports will be affected by the growth of the global middle class as the world largest, fastest-growing consumer markets; aging is hitting Japan first and harder than other countries; and Japan is feeling the problems of continued urban growth in the context of a declining population that is emptying out its countryside and rural prefectures,” Goldstone said.

He cautioned that the “burdens on the younger generation are doubling every 25 years,” as the number of working-age people to support retired people declines by about half, and increasing public debt levels as a result.

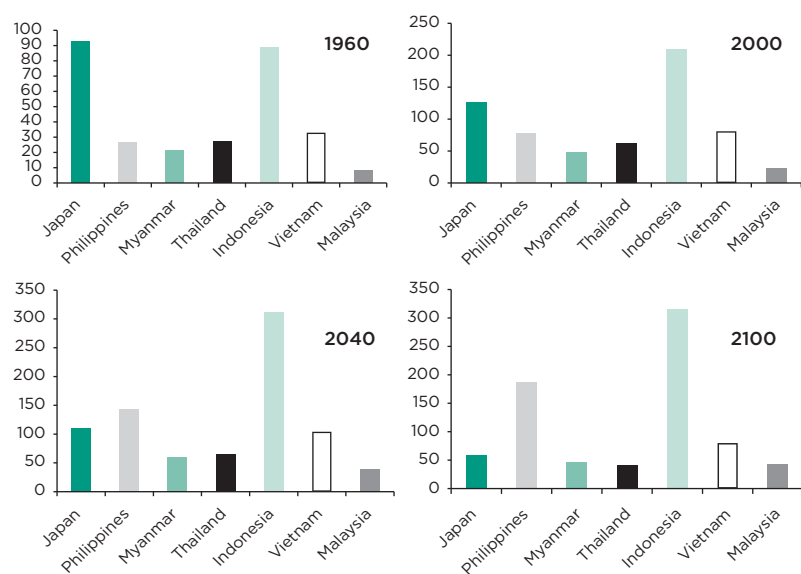
Meanwhile, population growth in much of the rest of Asia will be robust, particularly the Philippines and Vietnam, as well as Myanmar, Thailand, and Malaysia, which will put Japan in a “much weaker position relative to neighboring countries” with the exception of China which is also facing its own population challenge.

Fig 2. Share of Population with Less than 20 Years of Life Remaining, by Country, 1950–2050



Source: Author’s calculations based on UN (2007) and Human Mortality Database, University of California, Berkeley and Max Planck Institute for Demographic Research

“The leadership of China is aware of this. They may be looking at the next 10 to 15 years as their window of opportunity to project Chinese power before their labor force and hence their military and other capacities start to decline very dramatically,” Goldstone said. “After 2020, China’s number one concern will be what Japan faces today but perhaps even in a more extreme case, China being a poorer country and having this burden of declining workforce and rapid aging with relatively little room to spare. So again, the next 10 to 20 years may be the time the Chinese leadership decides to be more aggressive.”

Fig 3. Japan in Asia: A Different Future

In order for Japan to enhance its competitiveness amid an aging society, Goldstone said that Japan must increase female participation in the workforce and also to have families, which will require government investments. Another solution would be to encourage more immigration, instead of relying too heavily on technological advancements to address the social needs of an aging society. But he noted that Japan could become a world leader in providing more efficient elderly care that will be needed worldwide.

Japan will also need to have closer ties to its neighboring countries, given the size of its economy and population, Goldstone said.

“In the future, Japan’s economic and demographic weight will be smaller and part of Japan’s value will be the degree to which it can become a leader, the center of broader integration and relationships with other countries in East Asia,” he added.

As for **Keiichiro Oizumi**, senior economist at the Japan Research Institute, he noted the population challenge facing megacities in particular.

He pointed out that highly urbanized areas attract highly educated, digitally connected youths, while those who are less educated and connected remain in rural areas, and that divide is growing. Oizumi said that cities such as Shanghai and Bangkok have surged as a result of attracting the well-educated youths, and further exacerbating the income divide between urban and rural areas.

As a result, “while Asia is steadily aging...when we visit megacities, we see them as vibrant. But that is simply one façade of Asia. In reality, there are many elderly people left behind in the countryside, and that trend will continue to gain further traction in the future,” Oizumi said. He argued that megacities are more closely intertwined with one another across national borders than they are with the rural regions within their own countries.

“Addressing the inequalities will require a huge amount of public spending on social welfare and infrastructure development. But the size of megacities is too small to be able to address those needs,” Oizumi said. Moreover, ineffective spending of funds from the cities into rural areas will only exacerbate tensions between urban dwellers and those in the provinces and ultimately lead to political instability, he cautioned.

In the panel discussion that followed the individual presentations, participants broadly agreed that the formula for economic growth that has thus far been successful in China will reach its limits as society ages and the labor force will no longer be as fast-growing as it once was. That in turn will hamper its military spending. Moreover, China too will see greater friction between urban and rural populations, as well as the old and young, which will lead Beijing to make greater use of nationalism to keep the country united. That will invariably impact its relations with Japan, and Beijing will continue to try to play up the conflict between the two countries. As a result, China will become a more dangerous country in the region than in the past decades.

At the same time, panelists agreed that demographic aging will weaken the capacity of industrialized nations including Japan and the United States, and not simply because of a reduction in manpower. An aging society often means a conservative society that is more resistant to change and take risks, while emerging markets are finding their populations to be younger and more dynamic.

Participants agreed that there can be more opportunities for cooperation between industrialized and developing countries, with aging and younger societies identifying common issues that need to be addressed. It could also be an opportunity for the young and old to be more responsive to each other, and communication to bridge the generation gap could be improved.

Similarly, the demographic challenge could be an opportunity for Japan's relations with the United States to grow stronger, and for Japan's relations with other East Asian nations to be enhanced as well, panelists said.

As for addressing the challenges facing aging societies, a number of panelists pointed out that the elderly across Asia expect to have family members look after them as they become infirm. In countries like China, there is only a minimal national pension system which makes family commitment to supporting the elderly more necessary. The challenge for all Asian countries will be how to enhance the local social welfare systems, as well as reassessing the national welfare system.

In discussing the relation between fertility and religious belief, a number of panelists noted the high birth rate among those who belong to more conservative religious groups. One panelist cautioned that militant Islam countries have a higher fertility rate than industrialized nations, which in turn could jeopardize global stability in the years ahead.

Meanwhile, Christian values mean family values, which encourage more women to have children. Hence, the United States with its high number of practicing Christians has a relatively high birth rate compared to other industrialized nations, one panelist noted. On the other hand, Japan has a low birth rate and also low religious fervor, which may be correlated.

Analysts agreed too that establishing a better work-life balance is critical for Japan's future. At the same time, they agreed that financial incentives alone cannot encourage women to have more children. The seemingly counterintuitive fact that more women in the workplace pushes up the birth rate was touted by many panelists as testimony to that fact.

PANEL DISCUSSION II

Renewing the Japan-U.S. Partnership in an Aging World

A large population was one key factor for national power until the mid-20th century, but since then, it had increasingly been seen as a burden for governments, given that they had to ensure their welfare, said **Fumiaki Kubo**, former Wilson Center Japan scholar and professor of American government and history at the graduate schools for law and politics at the University of Tokyo who moderated the second panel discussion. That school of thought has been challenged, however, as nations face a demographic decrease, which in turn could hamper economic growth and national power, Kubo said.

In his opening remarks, Duquesne University's professor of political science, **Mark Haas**, argued that an aging society would actually strengthen the U.S.-Japan alliance as it would pull together the two countries' military capabilities. Certainly, as spending on welfare for the elderly increases, there will need to be cutbacks in military spending, which in turn would encourage allies to cooperate more closely and pool resources.

"Within military budgets population aging is likely to push states to spend more on personnel and less on weapons development and procurement. And the reason for that is because as the pool of military-age recruits shrinks, labor costs are likely to grow. Per unit labor costs are likely to increase, moreover, the military itself is likely to age because of rising life expectancy. So pension costs are likely to increase—military pension costs," he said.

Haas added that Japan currently spends about 44 percent of its military budget on personnel costs, while the United States spends about 40 percent. The more monies spent on personnel, makes it more difficult it is for states to project power.

He also stressed that global aging would increase shared security threats among allies that could lead to a strengthening of the alliance.

"I have found the relationship between old age dependency ratio and the probability of starting a militarized interstate dispute," Haas said." If

Predicted Public Benefits to Elderly as a Percent of GDP

Country	Increase in Public Elderly Care Spending, 2010–2040	Total Public Commitments, 2040
Russia	2.7	10.9
UK	5.0	18.9
France	5.7	24.3
Japan	5.8	20.9
Germany	6.3	24.3
USA	7.4	18.5
China	7.6	11.0

Source: Global Aging Preparedness Index (2013)

old age dependency ratio either reflects or is a cause of this window of opportunity for aggression, where states anticipate their power declining in the future and they feel like they have to act on any revisionist objectives in the present, then the next 10 to 20 years in East Asia could be particularly crisis-prone. And if so, that will be a cause for renewal of the American alliance with Japan.”

Aging could also lead to an ideological polarization in Asia, between democratic governments and regimes that are not. In the case of Russia and China, both countries see democracy as a threat to their interests and they have come to work closely together to establish alternative visions that would compete with models that have been supported by the United States and Japan, Haas said.

“Aging is likely to create stresses that are going to put their domestic position in jeopardy. The more afraid they are, the more likely they are to band together in support of authoritarianism both at home and abroad,” he added.

Heigo Sato, professor at Takushoku University’s faculty of international studies at the Institute of World Studies, said that from a defense perspective, an aging society will upset the balance of Japan’s troops and it will become increasingly difficult to find appropriate personnel to fill positions.

This dilemma comes at a time when Japan is trying to be more engaged in ensuring peace and stability in the Asia-Pacific region while when societies age, they become more risk-averse.

In order to offset such challenges, one possible option is to enhance relations with the United States, which will mean a greater commitment to ensure stability worldwide. How Japan can meet that need, especially should the United States retreat its presence from the Asia Pacific theater, and whether Japan can sustain a continued effort to bridge the gap left by Washington can be sustainable is debatable, even from a demographic perspective, Sato said.

Another option is to take a more subdued approach to foreign policy, for instance by allowing China to take on a leading position in Asia, he argued. However, given the history of the region and Japan’s own need to secure natural resources, that kind of subdued diplomacy is not desirable. As such, Japan needs to ensure that it remains a viable partner in the international community and play an active role in security peace in the region.

That said, the biggest challenge of an aging society may be that of a generational conflict in so far as the baby boomers are more pacifist, while the following generation is more open to taking on a more active role in security, Sato said. He concluded that such an imbalance would increase tensions within Japan, and could be reflected in the management of the U.S.-Japan alliance in the future.

Andrew Oros, director of international studies and associate professor of political science and international studies at Washington College, meanwhile, said the security impact of demographic change would vary by country. Japan’s policy would be to rely on advanced technology, more cost efficiency in weapons production, and to place greater emphasis on the U.S.-Japan alliance. Such strategies were already apparent in the 2013 National Security Strategy.

What’s more, “the current security order in the region already as evolving towards shared security burdens, in particular, counterterrorism policy and also to some extent states joining together to address concerns over China’s rise. So these trends will likely intensify due to the economic adjustment pressures from demographic change,” Oros said. He added that ASEAN, which has less demographic pressure, will play an increasingly greater role in arbitrating the rivalry between Japan and China.

At the same time, Japan is now contributing more to the alliance and security in Asia than it has in the past despite its aging society as anti-militarist sentiments wane and legal restrictions on the Self Defense Forces decline, even before the advent of the Abe government.

“So I don’t think that we should fall into a kind of demographic determinism after listening to a full day of discussions of demographics. There are many other factors that contribute to how Japan decides its security,” Oros said. “Security is the one central issue for the state. If Japanese feel unusually threatened, politicians will find a way to spend more on defense.”

In discussing the U.S. fiscal situation and military spending, **Akihiko Yasui**, head of Mizuho Research Institute’s research department for Europe and the Americas, argued that it would be inevitable for the United States to decrease military spending amid growing pressure to cater to an aging society.

Certainly, Washington has been cutting back steadily on military expenditure. But the amount it has been spending on military personnel as a proportion of that spending has been going up, Yasui said. Yet given the recovery of the U.S. economy and a population that continues to grow unlike Japan, there may actually be no immediate economic impetus to cut back on military spending, he said.

Rather, the cutback in spending can be seen from a generational shift. Younger Americans are more globally-minded and look more favorably toward Asia, including Japan. Moreover, younger people are more averse to taking military action even amid growing threats from terrorism. From an economic perspective, younger people were particularly hit by the financial crisis of 2008, and they are less willing to support military intervention, Yasui said. Granted, those who make policy decisions today are not the people of the future, but the older generation, so there may be a further lag in how the difference in generational views are reflected in public policy, he added.

A bigger economic consideration is the rising cost of healthcare, not just simply because of an aging population, Yasui cautioned. He noted that rising healthcare costs impacted society in general, and whether the United States will be able to keep those costs in check could be a bigger factor in driving national spending directives.

The first question posed to the panelists was the issue of whether Japan could spend more than 1 percent of its GDP on military expenditure, even

though there has been considerable public resistance to greater defense spending. At the same time, panelists were asked how the imbalance in the U.S.-Japan alliance, whereby the United States is committed to protecting Japan but not vice versa, is sustainable. Another concern raised was the perception of a declining Japan, both in its population as well as in its economic and political influence.

Some panelists argued that Japan should focus firstly on enhancing its security and thus military spending, and put off dealing with the aging issue until a later date. The bigger question, though, would be the United States’ “grand strategy” of its global security policy and how it will move forward with the rebalance to Asia.

Others, however, noted that simply doubling Japan’s military spending in itself is not the question. Rather, the debate should be about how any significant budget increases would be allocated, either in technologies or in personnel. Amid an aging society, it would be prudent from a diplomatic perspective to bolster military capabilities and thus Japan’s presence in the world, according to some panelists. Even the more dovish panelists said that Japan needed to break out of its mentality of placing a taboo on the defense industry, citing opportunities for greater cooperation among policymakers and the private sector in the defense industry in light of an aging society.

About the Speakers

KEYNOTE SPEAKER

JIM WEBB is formerly a senator representing Virginia, and was also an Assistant Secretary of Defense as well as Secretary of the Navy. He is also an Emmy-award winning journalist, film maker, and author of 10 books. Having widely traveled in Asia for decades as Chairman of the Senate Foreign Relations Committee's Asia-Pacific Subcommittee, he was a leading voice in calling for the United States to re-engage in East Asia, meeting frequently with key national leaders throughout the region. In 2009, he led an historic visit to Myanmar, becoming the first American leader to visit that country in ten years, and opening up the dialogue that resulted in the re-establishment of relations between these two countries. He is a graduate of the Naval Academy, and was first in his class of 243 at the Marine Corps Officers' basic school. For his service in Vietnam, he was awarded the Navy Cross, the Silver Star medal, two Bronze Star medals, and two Purple Hearts. He is also a graduate of Georgetown University's Law Center.

MODERATORS

ROGER-MARK DE SOUZA is the director of the Woodrow Wilson International Center for Scholars' program on population, environmental security, and resilience. He leads programs on climate change resilience, reproductive and maternal health, environmental security, and livelihoods, including the Center's Global Sustainability and Resilience Program, Environmental Change and Security Program, and Maternal Health Initiative. Before joining the Center in 2013, De Souza served as vice president of Research and Director of the Climate Program at Population Action International, where he provided strategic guidance, technical oversight, and management of PAI's programs on population, gender, climate change, environment, and reproductive health. He has an M.A. from George Washington University.

RICHARD JACKSON is the founder and president of the Global Aging Institute (GAI), which explores the economic, social, and geopolitical implications of demographic change, and especially population aging, in the United States and around the world. He is also a Senior Associate at the Center for Strategic and International Studies (CSIS). From 2003 to 2013, Jackson was a senior fellow at CSIS. From 1993 to 2002, he worked as an independent researcher, writer, and consultant on a wide range of public policy issues. From 1988 to 1992, he was a Research Fellow at the Hudson Institute. Jackson is the author or co-author of numerous policy studies, including the Global Aging Preparedness Index and the Graying of the Great Powers. He received his Ph.D. from Yale University.

FUMIAKI KUBO is a professor, Faculty of Law, the University of Tokyo, who has been the A. Barton Hepburn professor of American Government and History at the Graduate Schools for Law and Politics, the University of Tokyo since 2003. He is also a visiting professor at Keio University. In 2013–2014, Professor Kubo was a Japan Scholar at the Woodrow Wilson Center. He was also an invited professor at Sciences-Po in Paris in 2009. He studied at Cornell University, at the Johns Hopkins University, at Georgetown University and at the University of Maryland as a fellow. He is the author of many books which include: *America and the World in the Age of Obama* (co-author, 2010), *Alliance for the U.S. Foreign Policy* (editor, 2012), and *America's Rebalance to Asia: Evaluating Foreign and National Security Policy of the Obama Administration* (co-editor, 2013). He received his Ph.D. from the University of Tokyo.

PANELISTS:

KEISUKE NAKASHIMA is an associate professor at Kobe City University of Foreign Studies and Non-Resident Senior Associate at the Global Aging Institute. Prior to the current positions, he was with the Global Aging Initiative (GAI) at the Center for Strategic and International Studies (CSIS) in Washington, DC. He began his tenure at CSIS in October 2002 as a Research Intern with GAI and was subsequently promoted to research

assistant in August 2003, to research associate in November 2004, to Assistant Director and fellow in January 2009. He continued his affiliation with CSIS as adjunct fellow until January 2014. He joined Kobe City University of Foreign Studies in April 2011 as Assistant Professor and subsequently prompted to the current position in April 2013. He writes extensively on the economics of population aging and social security reform, especially in East Asia, and is the author or co-author of numerous policy studies, including *The Global Aging Preparedness Index* (2010) and *China's Long March to Retirement Reform* (2009). Nakashima holds an M.A. in international relations from the Maxwell School of Citizenship and Public Affairs at Syracuse University and a B.A. in Anglo-American studies from Kobe City University of Foreign Studies.

JACK GOLDSTONE is the Virginia E. and John T. Hazel professor of Public Policy at George Mason University, and a non-resident senior fellow at the Brookings Institution. Previously, he was on the faculty of Northwestern University and the University of California, and has been a visiting scholar at Cambridge University as well as the California Institute of Technology. He is the author of *Revolution and Rebellion in the Early Modern World*, and awarded the 1993 Distinguished Scholarly Research Award of the American Sociological Association. He is also the author of *Why Europe? The Rise of the West in World History* among other publications on politics, social movements, democratization, and long-term social change. He received his Ph.D. from Harvard University.

KEIICHIRO OIZUMI is a senior economist of economics department of the Japan Research Institute, Limited. He began his career as an economist at the Sakura Research Institute, Limited (the Japan Research Institute, Limited today) in 1990. His areas of expertise include demographic change and economic growth in Asia, and socioeconomic issues surrounding the urbanization of Asia. He particularly focuses his research on economies of ASEAN countries. In 2007, he published a book, *Aging Asia* (2007) and won the Award for the Promotion of Studies on Developing Countries, the award bestowed by IDE-JETRO, Institute of Developing Countries Japan External Trade Organization for outstanding publications on economic and other issues concerning developing countries. He received his Master's

degree in Agricultural Science in 1988 and Ph.D. degree in Area Studies from Kyoto University in 2012.

MARK L. HAAS is a professor of political science at Duquesne University. He is a former National Security fellow at the Olin Institute for Strategic Studies and an International Security Fellow at the Belfer Center for Science and International Affairs, both at Harvard University. He is the author of *The Clash of Ideologies: Middle Eastern Politics and American Security* and *The Ideological Origins of Great Power Politics, 1789–1989*, among other publications. He received his Ph.D. from the University of Virginia.

HEIGO SATO is a professor, Faculty of International Studies, Institute of World Studies, Takushoku University. He was senior research fellow at the National Institute for Defense Studies (NIDS) before joining Takushoku University. He joined NIDS in 1993 as Research Fellow. He was a special adviser to Foreign Minister Katsuya Okada on disarmament and nonproliferation. He has many publications including "Future of U.S. International Commitment," *Kaigai Jijo* (2014) "Strategic Surprise and National Security," *Kaigai Jijo* (2011). He earned his doctoral degree in International Relations from Hitotsubashi University. He received his M.A. in Area Studies (United States) from University of Tsukuba and Political Science from George Washington University (Fulbright Scholarship).

ANDREW L. OROS is the director of international studies and associate professor of political science and international studies at Washington College. He is a specialist on the international and comparative politics of East Asia and the advanced industrial democracies, with an emphasis on contending approaches to managing security. He is the author of *Normalizing Japan: Politics, Identity, and the Evolution of Security Practice* (Stanford University Press, 2008), the co-author of *Global Security Watch: Japan* (Praeger Press, 2010), and over a dozen scholarly articles and book chapters. He speaks frequently about his research on issues in Japanese politics and East Asian security to members of the media, fellow researchers, and policymakers in Washington DC, Tokyo, and world-wide. He received his Ph.D. from Columbia University.

AKIHIKO YASUI is a head of research department-Europe and the Americas, Mizuho Research Institute, Ltd. He is managing economics, politics and policy researches about Europe and Americas. He has expertise in wide range of U.S. issues, including economy, fiscal policy, public management and politics, among others. Before assigned to current position in 2014, he was head of research department-Public Policy. He served at embassy of Japan in the U.S. as a Special Assistant to Economic Minister (1997–2000) and at New York office of Mizuho Research (2000–2003, 2007–2012 as Director). He is the author of *United States in the Age of Few Choices* (Nikkei Publishing, 2011), and the co-author of *Though You should Learn U.S. Economics* (TOYO KEIZAI, 2014) and others. He received his bachelor of law from Tokyo University.

Conference Agenda

KEYNOTE SESSION

- 10:00–10:10 **OPENING REMARKS**
Yuji Takagi, President, The Sasakawa Peace Foundation
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- 10:10–10:50 **KEYNOTE SPEECH**
Jim Webb, President, The Sasakawa Peace Foundation
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- 10:50–11:30 **OPENING REMARKS**
Yuji TAKAGI, President, The Sasakawa Peace Foundation
-
- 11:30–13:00 **BREAK**
-

PANEL DISCUSSION I:

Identifying Demographic Risks in the
Developed World and East Asia

- 13:00–15:00 **MODERATOR**
Richard Jackson, President, Global Aging Institute (GAI)
- PANELISTS**
- Keisuke Nakashima**, Associate Professor, Kobe City
University of Foreign Studies
- Jack Goldstone**, Virginia E. and John T. Hazel
Professor of Public Policy, George Mason University
- Keiichiro Oizumi**, Senior Economist, Economics
Department, The Japan Research Institute, Limited
-
- 15:00–15:20 **BREAK**
-

PANEL DISCUSSION II:

Renewing the Japan-U.S. Partnership
in an Aging World

15:20–17:20 **MODERATOR**

Fumiaki Kubo, A. Barton Hepburn Professor of American Government and History, Graduate Schools for Law and Politics, University of Tokyo

PANELISTS

Mark L. Haas, Professor, Political Science Department, Duquesne University

Heigo Sato, Professor, Faculty of International Studies, Institute of World Studies, Takushoku University

Andrew L. Oros, Director of International Studies and Associate Professor of Political Science and International Studies, Washington College

Akihiko Yasui, Head, Research Department-Europe and the Americas, Mizuho Research Institute Ltd.

17:20–17:30 **CLOSING REMARKS**

Roger-Mark De Souza
