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Peace and Security



SPF COLUMN: Moving World

Civilizations Do Not Have to Clash

Dr. Ibrahim Kalin Chief Advisor to the Prime Minister of Turkey

Inaugural
Preview
Issue

June 2011



[Cooperating for Peace and Solidarity as a Maritime State]

Strengthening Maritime Surveillance in Three Micronesian Nations



SPF FOCUS Global Demographic Change and Labor Migration in Asia Project

Japan stands at a major crossroads today.



Cover Data:
Accepting three million foreign workers
would boost Japan's GDP by 3.8% (p. 4)

Inaugural Message

This publication is one of the tools that the Sasakawa Peace Foundation (SPF) uses to disseminate the findings of its projects. The goal of this publication is to share with you SPF's views on various issues as well as our efforts to find solutions for them. This inaugural publication represents an interim progress report of our findings, and your honest input will enable us to take the next step toward achieving the most significant results.

If you have feedback or want to know more, please do not hesitate to contact our public relations staff or explore the SPF website.

SPF PROGRESS NOW Inaugural Preview Issue

CONTENTS

SPF FOCUS

Global Demographic Change and Labor Migration in Asia Project

Japan stands at a major crossroads today.

Topic 1: Economic Impact of Accepting Foreign Workers P4
 Topic 2: Findings from an International Comparison of Immigration Policy P7
 Topic 3: Multicultural Community Building in Japanese Communities P8
 Diversity as a Driving Societal Force P9

SPF Column

Civilizations Do Not Have to Clash

Dr. Ibrahim Kalin, Chief Advisor to the Prime Minister of Turkey P10

Project in Progress: Peace and Security

Japan's Strategic Horizon and Japan-US Relations P12
 Strengthening Maritime Surveillance in Three Micronesian Nations P14
 General Overview of Japan-China Exchange and Dialogue on Security Project P16
 Addressing an Avian Flu Pandemic through Intra-regional Cooperation Project P17

Project Briefs

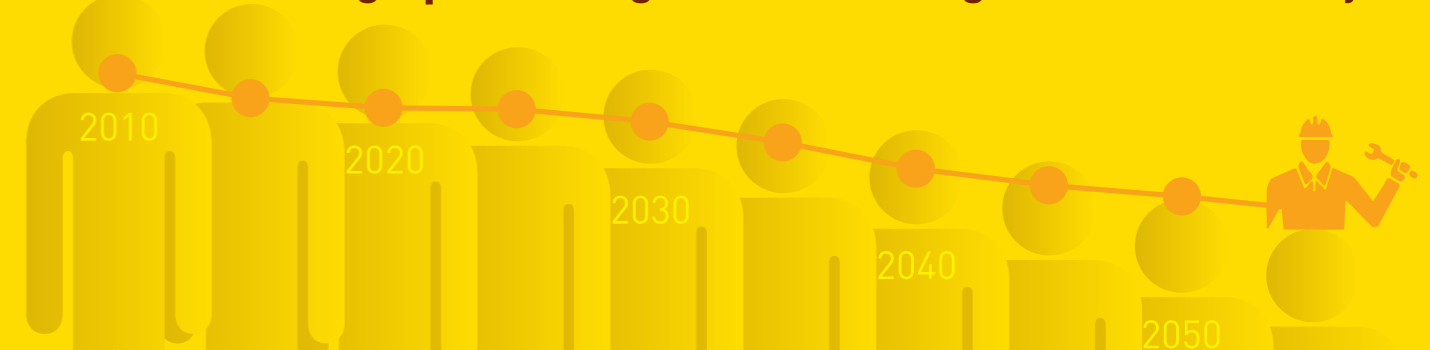
Strengthening Economic Survey Capacity in Lao PDR Project P18
 Website about Japan for Arab Readers
 Published Report and Website on US-Japan Relations P19



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Focus:

Global Demographic Change and Labor Migration in Asia Project



Japan stands at a major crossroads today.

How will Japan respond to demographic change and labor market changes?

Who will underpin Japanese society as the working-age population declines?
 How will Japan interact with the countries in Asia whose economies continue to grow?
 Japan now stands at a crossroads.

SPF launched the Global Demographic Change and Labor Migration in Asia Project in fiscal 2008. Under the leadership of Hiroyuki Ishi, professor of the Tokyo University of Agriculture, the project's three subcommittees have carried out studies that culminated in the publication of final policy proposals on March 8, 2011. The following pages describe the studies that formed the basis for the policy proposals.



Dr. Junichi Goto
Head of First Subcommittee
Professor, Keio University

Topic 1 | Economic Impact of Accepting Foreign Workers

Serious Labor Shortage in an Aging Society

There is no sign of an end to the recent decline of fertility rates in Japan, which will lead to a rapid aging of the population. The working-age population in Japan is projected to shrink by 17 million by 2030, which could lead to serious labor shortages (Figure 1).

There are greater calls for Japan to actively take in more foreign workers including unskilled laborers, due to the expected decline in the supply of Japanese labor. On the other hand, some insist that accepting foreign workers is undesirable, arguing that it would create various social and economic problems such as increased crime. It has been some 25 years since the issue of foreign workers in Japan came to the forefront, yet it remains a matter of conflicted debate.

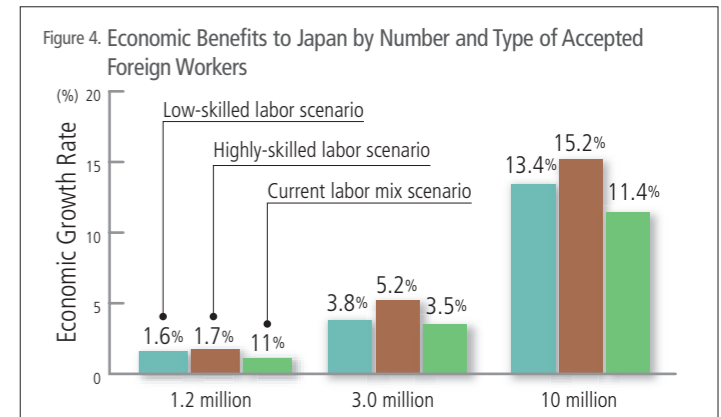
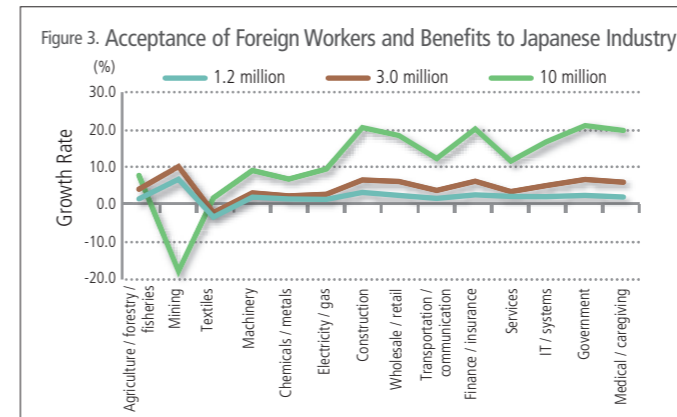
Sasakawa Model—Empirical Analysis to Engage in Level-Headed Debate

In view of these circumstances and in order to rigorously analyze the potential impact on Japan of accepting foreign workers, SPF has established the Sasakawa model based on a general equilibrium analysis. We used this model to perform simulations whose results are summarized as follows.

Firstly, accepting foreign workers will significantly boost Japan's gross domestic product (GDP) (Figure 2). The GDP would increase by 1.6% (¥8 trillion) if Japan were to accept 1.2 million foreign workers. The GDP increase jumps to 3.8% (¥20 trillion) for 3.0 million foreign workers, and 13.4% (¥71 trillion) for 10 million foreign workers.

Secondly, the economic impact of accepting foreign workers would be greater for tertiary industries such as caregiving (Figure 3). Thirdly, accepting highly skilled foreign workers would bring greater economic benefits to Japan (Figure 4).

Fourthly, large-scale acceptance of foreign workers (a "flood") would bring significantly greater benefits than small-scale acceptance. That is, if Japan were to accept a small number of foreign workers (a "trickle"), it would have a negative (or a very slight positive) effect, with the economic and social costs outweighing the benefits. However, if Japan were to accept a large number, such as 5 or 10 million foreign workers, there would be a greater increase in the benefits. This kind of influx of foreign



workers is similar to what we have seen in the United States. Therefore, the acceptance of foreign workers is desirable if Japan can reach a national consensus on accepting a large number of foreign workers. However, if it is only possible to accept foreign workers on a small scale, then there will be a negative (or limited) effect.

Alternative Solutions Also Available

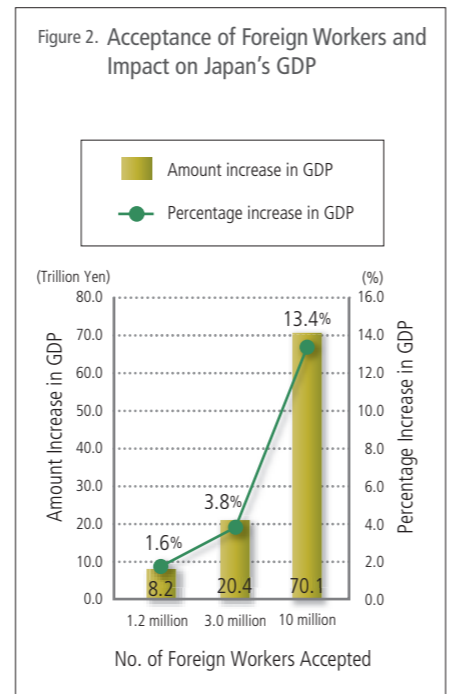
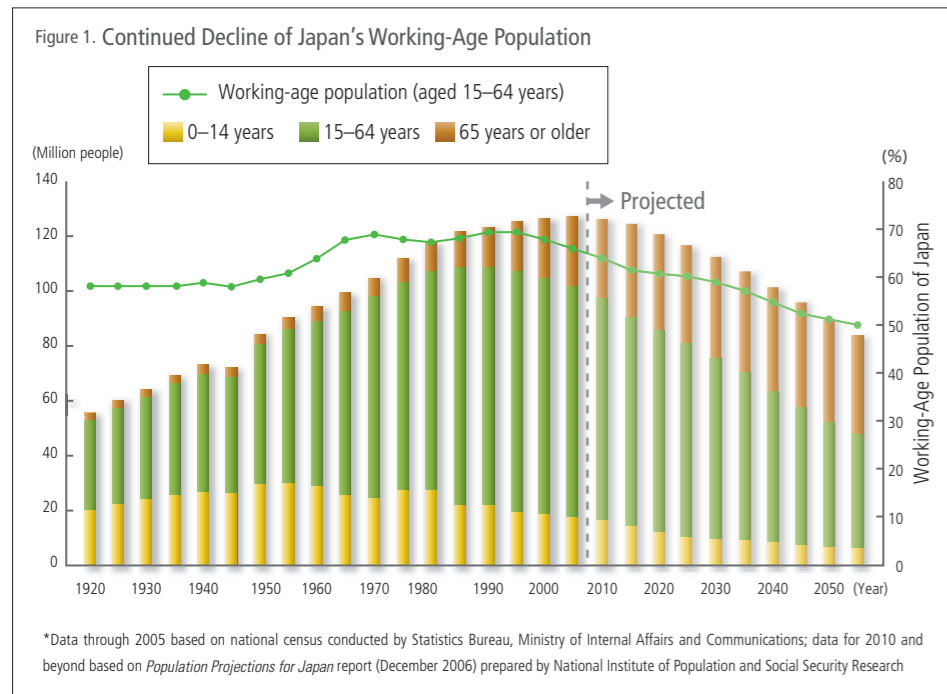
Lastly, it is important to remember that various alternative solutions are available to Japan, and that accepting foreign workers is not the only way to overcome a possible labor shortage.

Firstly, Japan can improve its labor productivity. In order to improve productivity throughout the Japa-

nese economy, it is necessary to enhance the unit efficiency of individual places of business through investment and creative solutions. At the same time, it is critical to increase the allocation efficiency by downsizing low-productivity segments and expanding high-productivity segments.

Secondly, it is possible to increase the supply of Japanese labor, such as women and both younger and older workers. In particular, women make up half of the Japanese population, and it is important to promote female participation. For that purpose, Japan should (1) provide child-rearing assistance, (2) support full reentry into the workforce, and (3) foster change in conventional attitudes about gender roles.

Thirdly, Japan can make indirect use of foreign labor through the international movement of goods (free trade) and money (direct foreign investment), as an alternative to directly accepting foreign workers through labor migration.



Views and Arguments

Effects of Accepting Foreign Workers Depends on the Scale of Admission

Traditionally, economists took an optimistic view of the effects of accepting foreign workers, typically viewing worker migration from countries with excess labor to countries with labor shortages as being beneficial to both countries. In recent years, however, new theories emerged which incorporated realistic factors such as accounting for "free riders" who consume social capital without paying for it, creating the argument that it is increasingly harder to say one way or another if labor migration has a net positive or minus impact. Some economists further argue that the economic impact of accepting foreign workers is dependent on the scale of acceptance.

The Global Demographic Change and Labor Migration in Asia project conducted simulations and analysis based on the Sasakawa model that utilizes a general equilibrium economic model. The simulations indicate that if Japan were to accept a small number of foreign workers, it would have a negative (or a very slight positive) effect, with the economic and social costs outweighing the benefits. However, after a certain point, such as acceptance of 5 or 10 million foreign workers as we have seen in the United States, there would be a greater increase in the benefits. In other words, there is a U-shaped utility curve for the scale of acceptance, where small-scale acceptance (i.e., a "trickle" of migration) does not have benefits, but large-scale acceptance (i.e., a "flood" of migration) has a net positive effect.

There has been no consensus in Japan on the issue of accepting foreign workers, which has been based on qualitative data. As a result, Japan has only accepted foreign workers in very small numbers, through the influx of several hundred nursing and caregiver candidates from Indonesia and the Philippines.

Japan must urgently engage in level-headed debate about the effects of accepting foreign workers, rather than accepting only small numbers of foreign workers in the absence of a clear policy. Furthermore, Japan must urgently form a consensus regarding a national direction on the issue of accepting foreign workers.



Japanese Immigration Policy and Foreign Workers

Junichi Akashi
Assistant Professor, Graduate School of Humanities and Social Sciences, University of Tsukuba

There has been extensive debate in Japan about the acceptance of foreign workers, yet the Japanese government continues to take a cautious position on accepting laborers from foreign countries, except for specialized professions or technical positions. The population of foreigners working in Japan has continued to increase every year, with the exception of a decline in 2009 due to the effects of the global financial crisis. Japan is increasingly dependent on South Americans of Japanese descent and foreign trainees and technical interns for labor, although the level of dependency varies by industry and occupation.

In 1990, Japan introduced revisions to the Immigration Control and Refugee Recognition Act that made it easier for foreigners to obtain residency status. This led to a sharp increase in the number of South Americans of Japanese descent who were granted *long-term resident* status, and in most cases

this was changed to *permanent resident* status after they lived in Japan for a number of years.

Around the same time, Japan introduced provisions for accepting trainees supervised by an organization, which expanded the window for accepting foreign trainees. Japan first adopted measures for accepting technical interns in 1993, and since then has gradually expanded the scope of work that technical interns are permitted to engage in. These technical interns were given residency status to engage in *designated activities*, but the revisions to the law in 2009 have created a new provision for residency status in the category of *technical intern training*.

In summary, the current law does not officially recognize the acceptance of foreigners for the purpose of engaging in non-skilled labor, yet enables labor from foreign countries through the use of systems that do not conflict with other laws.

In the last few years, the Japanese government

has made some moves that reflect the intent to open up the nation to foreign workers (Table 1). A few politicians have come forth urging Japan to actively pursue immigration and accept foreign workers, and there have been many proposals and requests along these lines from financial quarters and the private sector (Table 2). Yet the Japanese government has been slow to systematically establish legal provisions to accept foreigners, which remains a point of contention. The question of Japan's acceptance of foreign workers has been unanswered for the last 20 years, remaining on hold due to inaction by the government. It remains to be seen if Japan can accept the consequences and seize the initiative to fundamentally reform its immigration policy. The future of Japanese society is in some ways dependent on making such a political decision, yet the pressure of taking heavy responsibility is preventing policymakers from taking swift action.

Table 1. Major Japanese Policy Trends surrounding Acceptance of Foreigners (2008–2010)

| | |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2008 | <ul style="list-style-type: none"> Japan starts accepting nursing and caregiver candidates, based on the Economic Partnership Agreement (EPA) with Indonesia and Philippines |
| 2009 | <ul style="list-style-type: none"> Japan commences plan to accept 0.3 million foreign students Revisions made to Immigration Control and Refugee Recognition Act (including establishment of residency status for technical interns) *Residency cards to be issued in 2012, replacing system of foreigners' registration cards Establishment of Office for the Coordination of Policies on Foreign Residents, and development of Basic Policy on Measures for Foreign Residents of Japanese Descent the following year |
| 2010 | <ul style="list-style-type: none"> Japan starts accepting refugees based on third country resettlement program Japan studies the adoption of a point-based system to encourage the acceptance of professional human resources |

Table 2. Major Japanese Policy Proposals surrounding Acceptance of Foreigners (2008–2011)

| | | |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2008 | <p>Parliamentary Alliance for the Promotion of Overseas Talent Exchange <i>Proposal for a Japanese-style Immigration Policy to Open Up Japan to Human Resources from Overseas</i></p> <p>Tokyo Chamber of Commerce and Industry <i>Views on Acceptance of Foreign Workers, and Opinions concerning Reevaluation of the Trainee and Technical Intern System for Foreigners</i></p> <p>Nippon Keidanren (Japan Business Federation) <i>Vision of Japan's Economic Society in Response to a Shrinking Population</i></p> | <p>Japan needs to accept some 10 million foreigners in order to cope with population decline, and accordingly implement large-scale legal reforms.</p> <p>Japan should accept more workers from foreign countries, and grant permanent residency to foreigners who meet certain requirements.</p> <p>Japan should study a Japanese model for immigration policy to enable acceptance of a broad range of migrants.</p> |
| 2009 | <p>Japan Immigration Policy Institute <i>Towards a Japanese-style Immigration Nation</i></p> | <p>Japan should accept immigration based on a human resources development approach, under the assumption of residency in Japan (not temporary foreign labor).</p> |
| 2010 | <p>Council on Population Education <i>Seven Proposals for Japan to Reestablish Its Place As a Respected Member of the International Community: Taking a Global Perspective on Japan's Future</i></p> <p>The Japan Forum on International Relations, Inc. <i>Prospects and Challenges for the Acceptance of Foreign Migrants to Japan</i></p> | <p>Japan should adopt a uniquely Japanese model of immigration policy and steer toward opening up the country to foreign human resources.</p> <p>Japan should selectively accept foreigners by expanding the scope of permitted work, for instance by forging agreements with other governments on interchangeable work qualifications, based on an approach of human resources development and social integration of foreigners.</p> |
| 2011 | <p>SPF <i>A Society of Shrinking Population and Japan's Choice—Proposals on Issues Related to Foreign Workers</i></p> | <p>Japan should actively accept foreign workers with an emphasis on reciprocal relations with migrant-sending countries, by adopting an employment permission system and an employment tax.</p> |



Wako Asato
Head of Second Subcommittee
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Topic 2 Findings from an International Comparison of Immigration Policy

The second subcommittee made an international comparison of immigration policy. Over three years, we surveyed host countries and regions (Singapore, Taiwan, South Korea, Hong Kong and EU) and major migrant-sending countries in Asia (China, Philippines, Indonesia, Vietnam and India). Key findings are below.

Mechanisms for Controlling Supply According to Labor Market Demand

Most host countries have adopted immigration policies that control supply relative to demand. One such method is the labor market test, where foreign human resources are recruited based on regional supply and demand, which assumes foreign human resources are integrated into labor policy. However, if left up to market mechanisms, the fees charged to place non-skilled workers in jobs become prohibitively high, requiring intervention in the job placement process. Reforms in Taiwan and South Korea have sought to reduce placement fees and human resource development costs, while facilitating direct hiring that bypasses employment agencies.

Employment Tax and Social Integration

In terms of regional sovereignty, regions should have sufficient labor for their own needs, which is rarely achieved. Some Asian countries permit recruitment of human resources from foreign countries, imposing an employment tax on employers on the beneficiary-pays principle. In Taiwan, employment tax revenues are used to support job training for the unemployed and integration of marriage migrants.

In Japan, in the wake of the 2008 financial crisis, foreign workers of Japanese descent were let go by their employers as expendable labor. This prompted the implementation of integration measures such as Japanese language education and job training, but the heavy costs are a serious problem for the Japanese government. Japan can look to the example of other countries with an employment tax, and use the revenues to offset costs for social integration such as job training.

Acceptance of Foreign Workers for Domestic Help and Caregiving

In developed countries facing rapid population aging, there is a growing need to secure an adequate labor force. Host countries in Asia encourage local women to work, and consequently accept many foreign domestic workers. Population aging is boosting the demand for caregiving, but a preference for family-provided care is driving the hiring of foreign domestic workers.

In Japan, the rate of working women was quite high until the mid-1960s, but in the ensuing period of high economic growth, the prevalence of full-time housewives prevented the rate of working women from growing. This led to a stronger gender division of labor, which has created a resistance to employing domestic workers in Japan which differs from other Asian countries.

A two-pronged approach that enhances the social welfare system and introduces domestic workers is one means of building a society in which women can fully participate. However, it would be vital to protect the human rights of domestic workers and establish decent working conditions by enforcing labor laws and regulations.

Sending Migrants as Mainstream Policy

An international comparison of migrant-sending countries reveals that these countries all face policy issues of finding a balance between encouraging the sending of workers and their protection. Nowadays, sending workers is central to the economic policy of these countries, from the perspectives of promoting employment, alleviating poverty and securing foreign currency. This is explained by growing foreign currency remittances and flat foreign direct investment and official development assistance (ODA). Considering the circumstances facing developing nations, the domestic-labor-market-oriented idea that domestic employment needs should be met by the domestic labor force no longer fits reality.

Developing a Sustainable Society

Migrant-sending countries are also seeing rapid demographic changes. Thailand, Vietnam and China are now facing a shrinking population of persons in their twenties through mid-thirties, a core part of the migrant workforce. These countries have reached the limit of human resources they can send. This will cause labor shortages in host countries and lead to intensifying competition to secure human resources. Social reproduction systems in which developed countries depend excessively on human resources from developing nations will become unsustainable over time. In light of both factors, the future challenge is the development of a framework for cooperation between Asian countries in order to establish management systems for migration that do not hinder social reproduction in migrant-sending countries.



Topic 3 Multicultural Community Building in Japanese Communities

Multicultural Community Building to Promote Rural Reconstruction with Foreigners Who Stay in Japan Despite Economic Recession

Taro Tamura
Head of Third Subcommittee
Representative, Institute for Human Diversity Japan

In 2009, the number of registered foreigners in Japan rose to 2.19 million, 43% of whom had acquired permanent resident status. These figures reflect a nation that is already a multicultural society, not one that is setting out to accept foreigners in the future.

Yet the Japanese government has failed to form a basic policy direction and put legal provisions in place with respect to a national policy on foreign residents. This has created a void that is being filled by local governments, international exchange associations and volunteers from NPOs, who are implementing initiatives such as the provision of Japanese language classes and lifestyle assistance for foreign residents.

In order to open up, Japan must form a national consensus regarding a social integration policy, by outlining a vision and basic strategy for social integration that encompasses immigration control. In addition, Japan must establish fundamental legal provisions as a first step toward expanding a social integration policy.

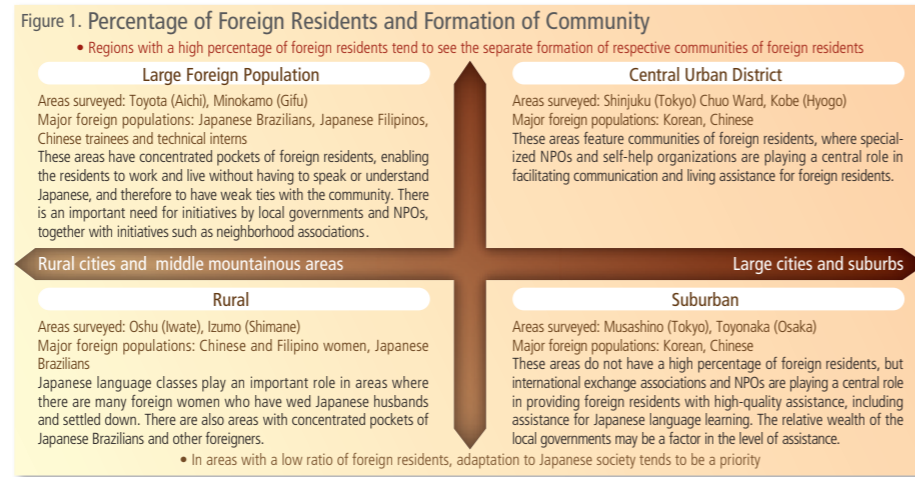
With the global economic uncertainty today, the test of Japan's social integration policy is whether it

can help reconstruct rural communities with foreigners who stay in Japan amid recessionary conditions. Japan must establish a fundamental direction for achieving multicultural community building.

In the future, China and other developing nations in Asia will face shrinking birth rates and population aging. The whole of Asia will need to coordinate a strategy for securing caregivers and engage in

regional coordination for the establishment and operation of welfare systems, while coordinating economic growth and industrial employment.

The identification of rural characteristics and development of a multicultural community building model for rural Japan can be considered a research step leading to the development of a social integration model that can be used throughout Asia, in addition to Japan.



Views and Arguments

Developing a Classification Model for Social Integration for Use in Rural Areas

Although there are more than two million registered foreigners in Japan, there has been almost no social integration policy in place to provide necessary living assistance for foreign residents, from arrival until settling down. In 2006, the Ministry of Internal Affairs and Communications developed a multicultural coexistence plan outlining initiatives that should be taken by local governments in Japan. However, while the main themes of these initiatives are universal throughout Japan, there is a need to develop detailed

models for social integration that take into account the characteristics of each area.

One of the characteristics of foreign residents in Japan is the wide variation in nationalities and resident status by area. In some areas, foreign residents from a specific country account for most of the foreign population, while elsewhere, foreign residents of diverse nationalities are scattered across the area.

The Third Subcommittee conducted research to develop social integration models that are tailored

to the respective needs of each type of area, such as the need for Japanese language education and interpreters in healthcare and education. We identified four types of areas based on factors such as the percentage of foreign residents and differences in the assistance they receive (Figure 1). At the same time, Japan must develop an effective framework for local support in order to provide such assistance, such as securing Japanese language teachers and other support personnel.



Global Demographic Change and Labor Migration in Asia Project

Diversity as a Driving Societal Force



The development of emerging countries has given rise to labels such as BRICs and Next Eleven, but the new abbreviation, "NDC," has been coined to refer to a new declining country. It is a term sometimes applied to Japan, which has been affected by issues such as population decline.

SPF launched this project in 2008 to examine issues concerning the international migration of people in societies that are experiencing demographic change. The project conducted comprehensive research and surveys during its three-year duration ended in March 2011. The project utilized resources such as computer models and fact-finding surveys to examine the future social and economic impact of Japan's shrinking working-age population. In addition, the project sought to survey the circumstances surrounding foreign workers in Japan, as well as in European and North American countries that have already accepted large numbers of immigrants, and in developing Asian countries that have started to accept large numbers of foreign workers.

The project regularly published and disclosed its findings, in addition to making them available to experts. Every year, the project released the *Collection of Data on Issues Related to Foreign Workers*, which summarized the results of qualitative and quantitative research conducted particularly in Asia. Furthermore, the project also organized a fact-finding team which issued a report on the activities of migrant workers in Japan.

The project also organized an annual international symposium in each of its three years, each focusing on a specific topic. In its first year, the project organized the "Cross-Cultural Care in Globalization—Management of Nursing / Carework in Multicultural Settings" symposium for 260 attendees. The objec-

tive of the two-day symposium was to present case studies on how other countries are providing cross-cultural care.

In the second year, the project organized the "Challenge of Social Integration Policy—Searching for a New Vision and Role" symposium for 142 attendees. The symposium invited practitioners from Europe and Asia to Japan, in order to share their experiences on social integration policy in South Korea, Taiwan, Singapore and other countries. The second day of the symposium was reserved for a closed-door meeting among 40 participants, to engage in mutual exchange by fielding questions from invited specialists about the Japan reports.

In the third year, the project organized the "Societies with Declining Populations and Migration Policies" symposium for 189 attendees. The preeminent historical demographer and anthropologist Dr. Emmanuel Todd was invited to Japan to give a lecture entitled "Japan and Immigration—Lessons to Learn from Europe's Successes and Failures." In addition, a symposium was organized in March 2011 to unveil the project's policy proposals and was attended by 123 people. The symposium featured heated debate over the adoption of an employment tax and acceptance of domestic workers, which underscored the different direction that Japan has taken for immigration control and social integration policy, compared with other countries.

The research reports from the first and second years of the project were published in a book entitled *Collapse of Japan as a Labor-Isolated Country—Who Will Support a Society With a Shrinking Population?* The title for this book, suggested by the publisher, Diamond, Inc., was chosen over other options

in the hope of attracting a larger number of readers.

We can only hope that the many people who were affected by the Great East Japan Earthquake can recover and rebuild their lives. However, the quake revealed the fact that many elderly people were not able to evacuate under their own power. In addition, the suspended production at factories in the region is projected to accelerate the hollowing out of Japanese industry. Many disaster-affected migrant workers as well as immigrants who married Japanese citizens have also moved to other places.

It is also evident that the elderly and foreign residents are at a disadvantage in disaster situations. This is because foreign residents in Japan have been "invisible citizens" who do not occupy an established position in the nation's labor policy. Yet they are still members of the society, and Japan must make an effort to ensure that they are afforded equal opportunities to preserve their cultures as members of society, and participate in society by receiving an education and improving their Japanese language skills, as well as receiving housing and social benefits. If Japan continues to exclude foreign residents from Japanese society, it will weaken the cohesion of Japanese society and hinder its continuity.

Multiculturalism does not simply refer to diverse persons living side by side. Rather, true multiculturalism is only achieved when people are afforded equal opportunities to overcome the difficulties they face. Japan must develop an environment in which diverse persons can become members of Japanese society.

March 2011
Research Team of Global Demographic Change and Labor Migration in Asia Project



SPF Column

Civilizations Do Not Have to Clash

“If we pursue coexistence among multifaceted values and diverse civilizations, we can create a new world order of globalization in the 21st century.”

Maintaining Omnidirectional Diplomacy

To jump right to the conclusion, Turkey’s present diplomatic policies represent omnidirectional diplomacy. Turkey has chosen this diplomatic position within the context of advancing globalization in the modern world, in order to survive in the multifaceted world of the 21st century. The Look East policies are an expression of this diplomatic position.

Three main noncontiguous changes have occurred in international systems, and these were behind Turkey’s decision to pursue omnidirectional diplomacy.

The first change was the end of the Cold War, which brought about significant changes to the world power balance. With the crumbling of the Berlin Wall, countries began to view the world as a place of extreme uncertainty.

The Cold War was a black-and-white era with only two political choices. Since the crumbling of the Berlin Wall, the world has been plunged into mutually interdependent relations that extend across the globe. These mutually interdependent relations have given rise to multifaceted choices, causing nations to take it upon themselves to reestablish their own diplomatic positions.

As a NATO member nation before the end of the Cold War, Turkey was in the position of overseeing NATO’s southernmost defensive line, due to its geographical location. It seemed as if this role might disappear with the crumbling of the Berlin Wall, but the historical reality has been different. Later on, Iraq invaded Kuwait, which led to the First Gulf War. Turkey would again reprise its role in defense of NATO’s southernmost line as a member of coalition forces.

Today, Turkey sees itself as neither the southernmost line of Europe, nor conversely as the easternmost line of Asia. We are trying to envision a new reality, from the standpoint of being in the center of Eurasia.

Security, Freedom and Democracy

The second change was the 9/11 terrorist attacks in 2001. The 9/11 attacks caused the US to come face-to-face with the reality of threats launched from its very doorstep, rather than distant threats emanating from the Soviet Union as in the Cold War era.

The 9/11 terrorist attacks were clearly a crime against humanity. However, the policies that the US later pursued through the invasions of Afghanistan and Iraq have been disappointing. In the aftermath, we can clearly see that the invasions did not produce any solutions. It remains to be seen how the US will balance security, freedom and democracy amid the new tensions that the US itself has created.

Diversification Spurred by Developing Nations

The third change was the financial crisis triggered by the collapse of Lehman Brothers in 2008, whose impact extended across the globe and created the need for international financial reforms.

This change, however, led to another important historical reality; that is, amid the financial crisis, the global economy was sustained by economic growth in developing nations, particularly in China, East Asian countries, India, Middle Eastern oil-producing countries and Brazil. We witnessed the global emergence of mutually interdependent relations and new diversity spurred by developing nations.

SPF established the Sasakawa Middle East Islam Fund (SMEIF) in 2009 to promote exchanges with people from the Islamic nations of the Middle East and promote mutual dissemination of information. This article summarizes the lecture conducted by Dr. Ibrahim Kalin, who SMEIF invited to speak in Japan as part of the Capacity Building for Mutual Understanding between the Middle East and Japan project, and the interview with Dr. Kalin.



This led to further international globalization, with diverse cultures, values and civilizations emerging to take center stage as traditional Western Europe-centric perspectives start to recede. The emergence of developing nations who are capitalizing on economic growth means the emergence of principles from non-European perspectives. Equality, justice, pluralism, meritocracy, transparency, and accountability—we must understand and acknowledge such diversity and the reality of others. These perspectives have become important and necessary in this day and age.

Civilizations Can Coexist

The expansion of mutually interdependent relations flowing through the world today, and the emergence of diversity spurred by developing nations are leading to a dynamism that is moving Turkish diplomacy and forming the 21st century world. No country today including Turkey, can achieve national security on its own without ensuring the security of its neighbors. The same can be said for eradicating poverty, resolving inequalities in wealth, and achieving economic growth.

This is the reason why civilizations do not have to clash. It might be profitable for a certain segment of people and certain institutions if they clashed. However, I want to say that civilizations can coexist. This new tide of history has already begun.

The strong tide of pluralism is an undercurrent of the 21st century world. There are people and organizations with healthy attitudes, who are counting on pluralism and the coexistence of civilizations as elements that will move international relations in the 21st century. There is a need for inclusion of

diversity rather than clashes, if the UN, IMF, World Bank and other international organizations are to produce results.

Building New Relations with Neighboring Countries

Mutual interdependence and globalization are advancing beyond countries and regions. Turkey has developed a diplomatic policy of omnidirectional diplomacy, driven by recognition of such world trends in the 21st century. It is Turkey’s attempt to take a positive approach to addressing the development of a multifaceted world order born out of such trends.

That is why Turkey is pursuing Look East diplomacy alongside its membership in the EU and is building friendly relations with neighboring countries.

In 1999, Turkey faced a touchy crisis with Syria and deployed 50,000 troops to its borders. However, in examining whether it made sense to continue such tense relations, Turkey made the choice to seek partnerships with adjacent countries.

Turkey has repeatedly and energetically sent diplomats to Greece to discuss the Cyprus issue in order to build trust with Greece. The two countries are continuing to discuss the issue in Geneva.

From a security standpoint, when a certain country’s actions are observed to have clearly crossed a line, it is important for that country to pay a price if it continues acting that way. In a world with deepening mutually interdependent relations, countries are made to believe that it is better to choose policies that improve partnership.

Furthermore, the only thread that can unravel the deep antagonism that exists between Israel and Palestine is communication. This communication must

extend down to a universal and principle level that emphasizes the people’s basic freedoms, independence and human rights.

Role of SPF as a Soft Power

Private international exchange and cooperation such as pursued by SPF has a soft power role. That is, it acts as a security leverage to support the undercurrents of security, military force and economic force, through the exchange of human resources, research and culture. Japan and Turkey’s technology, cinema, art, lifestyle culture and tourism all comprise soft power for security.

Many issues and problems are occurring today in diverse regions across the world. People’s views are diversifying, so it is vital to find solutions through active dialogue.

SPF, which seeks the convergence of domestic, regional and international views with the aim of world peace and security, is supplementing and strengthening international cooperative relations in regions such as the Middle East, Asia, Europe and the Americas. SPF is seizing the initiative to integrate the different approaches of East and West and is certain to play a very important role. In order to solve the issues of diversifying values and different cultures and societies, we need views and approaches that are fair, just and equal, together with research and understanding, and dialogue and debate. That is why SPF has focused its program approach on these exact areas.

Dr. Ibrahim Kalin

Chief Advisor to the Prime Minister of Turkey

1992 Graduated from Istanbul University

2002 Received doctoral degree from Georgetown University (US)

2005 Appointed chair of Foundation for Political, Economic and Social Research (SETA Foundation, Turkey)

2009–Present

Chief advisor to prime minister of Turkey and special research fellow at Georgetown University

Since Turkey’s current administration swept to power in 2003, the country has been pursuing “Look East” policies, spurring rapid growth in the Turkish economy. Through these policies, the Turkish government and private sector have been working together to develop new relations with neighboring countries including those in the Middle East.

In January 2011, Dr. Ibrahim Kalin gave a lecture in Tokyo entitled “New Dynamics of Turkish Policy.” In the lecture, Dr. Kalin shed light on the major world trends driving Turkey’s recent Look East diplomatic policies, raising the question of how a country can rebuild its position on security issues—an issue faced today by every country as globalization advances in the 21st century.

Re-examining Japan's Security Interests and Identifying Challenges for Japan's Security Policy

Japan's National Security Strategy in the Age of Globalization and Changing International Distribution of Power



Globalization is progressing with increasing rapidity and intensity, and the rise of new powers is beginning to drive major changes in the global power balance. Meanwhile, Japan faces serious domestic challenges. Its economy is slow to recover, its society is aging rapidly, and most of all, its politics is losing a center of gravity. Japan needs to fundamentally reexamine its national security. It must identify security issues that require priority attention and define the role that should be played by Japan-US relations, diplomatic means and the Self-Defense Forces.

Redefining Japanese Security Based on Japan's Security Interests

Japan's security interests are essentially the security of a combination of systemic interests in the form of a stable international order, and national interests in the form of homeland territorial security and overseas strategic interests that are essential to Japan's development and prosperity.

In order to conceive Japan's national security strategy, it is necessary to identify national interests and take into account domestic constraints on Japan, and then examine ways to secure those interests by combining defense, alliance and diplomacy.

The project members will propose a Japanese national security strategy that spans the next 20 years, by incorporating new perspectives that

are not restricted to the defense of the Japanese homeland (Figure 1).

Japan's Strategic Horizon

Japan's strategic horizon is composed of foreign countries that have close relations with Japan in the areas of trade, investment and energy resources; it also comprises lines of communication between such countries and the Japanese mainland, such as sea, air, space and cyberspace. (Figure 2).

As a nation with an economy oriented toward processing trade, Japanese peace and prosperity following the end of World War II have been sustained by maintaining external economic relations driven especially by import of natural and energy resources and export of manufactured goods. This pattern will basically remain the same in the future.

In terms of trade, China has become Japan's largest trade partner for both exports and imports, followed by the US. For investment, the US is the leading country for Japan's outward foreign direct investment (in 2009), while the US also accounts for a large proportion of inward foreign direct investment in Japan.

With regard to energy, Japan has a relatively low rate of self-sufficiency compared with other countries. Japan mainly imports crude oil from the Middle East and natural gas from Southeast Asia, while purchasing a large proportion of essential uranium for nuclear power generation from Canada and Australia.

The security of sea routes that support trade and import of energy resources also has a direct bear-



ing on Japan's national security. Today, the free and fair use of global commons—air, space and cyberspace—is also considered important for the protection of Japan's strategic horizon.

Strategic Trends in International Systems

Looking ahead to the next 15–20 years, the changes in the international environment of Japan will likely evolve beyond what most Japanese citizens can imagine today. In considering the security of Japan's

strategic horizon, it is important to first consider strategic trends in international systems that are prevailing on a global scale.

The main strategic trends include: changes in the distribution of power that accompany the rise of developing nations, increasing demand for energy, growing challenges to existing international rules, jolts to domestic governance systems and rising nationalism in certain countries, and the emergence of non-traditional threats such as the spread of terrorism, piracy and infectious diseases. When such long-term trends in the international system overlap with short- and medium-term conditions, they induce various events and lead countries to take specific actions.

Japanese Security—A Country at a Crossroads

How will these strategic trends take shape in the international system, and how will they impact Japan's vital zone and strategic horizon in the form of "threats"?

The project team has prepared 17 scenarios based on strategic trends and enlisted experts to evaluate the scenarios by means of a questionnaire survey, in order to solicit their views on the probability of occurrence, impact on Japan's interests, and the Japanese government's ability to address the scenarios at this point in time. In February 2011, the project held a meeting with working-level officials and academics to provide an intermediate report on the project's methodologies and its analysis of the knowledge acquired to date.

The findings of the project will undoubtedly serve as a sharp reminder that Japan is currently at an important crossroads for its national security policy.

Figure 2. Japan's National Security Interests
Japan's national interests are widely distributed abroad, in addition to its own territories

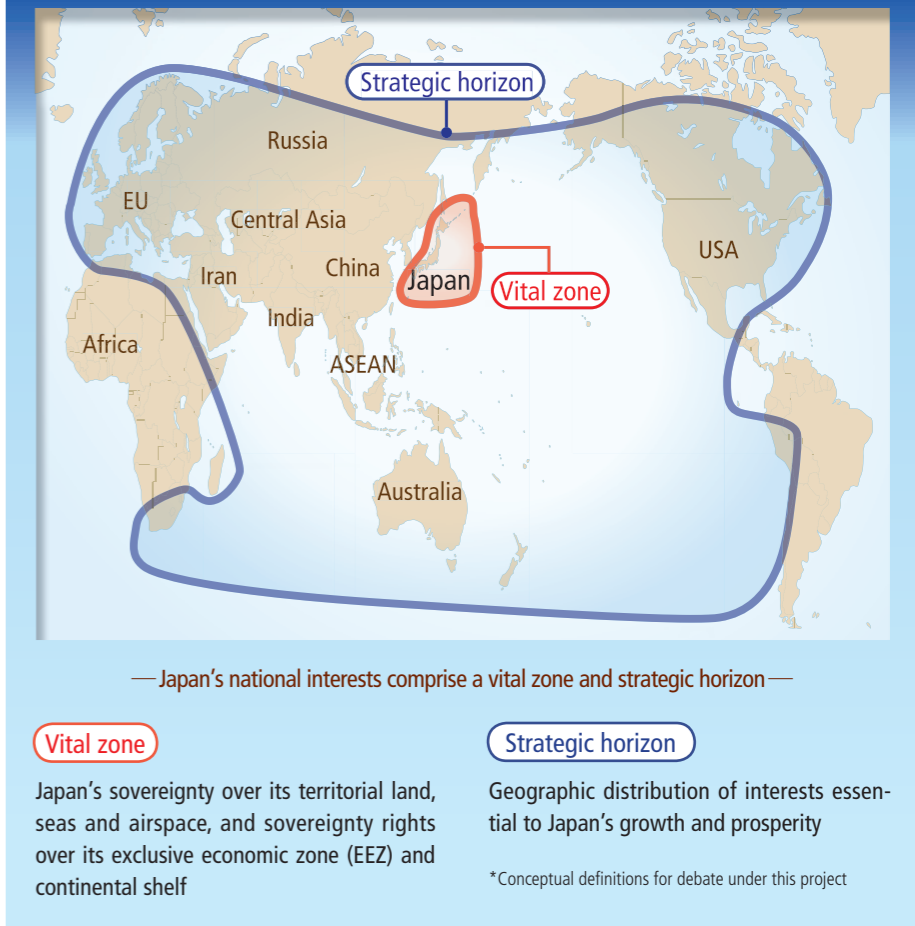
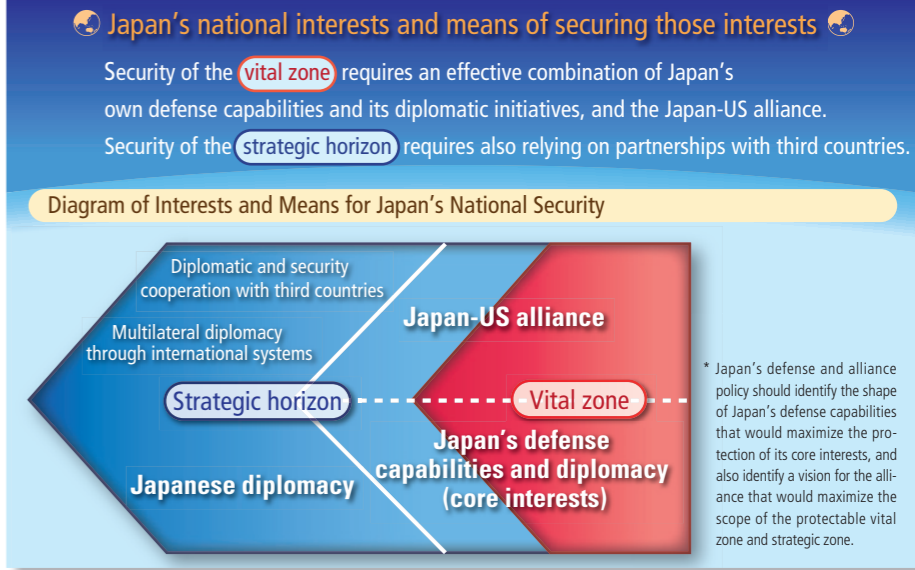


Figure 3. Japan's Security and Threats



Strengthening Maritime Surveillance in Micronesia Using Multilateral Coordination Led by NGOs



The three Micronesian nations—the Republic of the Marshall Islands, Federated States of Micronesia and Republic of Palau—include a vast expanse of water that spans some six million square kilometers, while having a very small land area and population. Clearly, there is a critical need to support maritime surveillance in the region. This is why the three Micronesian nations must build cooperative relations with Japan, the US and Australia in an effort to suitably manage their marine resources. This project aims to organize international meetings with the participation of the governments and non-governmental organizations concerned to discuss and coordinate support measures for improving maritime surveillance capabilities, and to submit proposals to the three Micronesian nations.

Need for a Coast Guard

Although the Pacific Island nations have a low profile in Japan, the three Micronesian nations alone stretch across a vast stretch of water that includes exclusive economic zones (EEZs). Counting Polynesia and Melanesia, the entire Pacific Islands region stretches across an ocean area twice the size of China's land area.

The waters of Micronesia are rich in fishing resources including skipjack and other tuna, which are exported in large quantities to Japan. The waters are also traveled by ships that transport liquefied natural gas (LNG) from Australia, accounting for 17% of all LNG imported to Japan. These waters are also the only viable alternative sea route to the Strait of Malacca, which is a critical marine transport route for Japan.

The Pacific Islands region is of interest to Japan due to its rich marine resources and transport routes, but there is a growing focus on maritime security in the region.

The seas also loom large in the eyes of the Pacific Island nations. The ocean provides a vital food supply and transportation routes between the islands, though at times the great distances are an impediment to movement, underscoring the great significance of the sea to the lives of residents. At the same time, this enormous ocean area is extremely difficult to manage. In particular, the management of fishing resources, which generate the majority of foreign currency revenue for the region, is a major challenge for the Pacific Island nations.

The US and Australia are providing significant support including the provision of patrol boats and personnel training to help the region address this challenge. However, even this level of support is insufficient, which is illustrated by the fact that the supplied patrol boats are only operated some 50–100 days a year due to fuel shortages and lack of maintenance.

These circumstances were behind SPF's proposal to support the improvement of maritime surveillance capabilities, with a view to establishing a coast guard for the Micronesia region.

9th Micronesian Presidents' Summit

SPF implemented a joint Japan-US fact-finding mission in April–May 2009, in an effort to get a clear picture of the situation and determine the specific and necessary support to provide. The mission found that there is a clear need for further support to improve maritime surveillance capabilities in Micronesia.

Figure 1. Developments in Support of the Establishment of a Micronesia Coast Guard

FY2008

- ▶ The Marshall Islands approaches SPF about the possibility of receiving assistance for improving maritime surveillance capabilities
- ▶ SPF embarks on a project to provide support and cooperation for improving maritime surveillance capabilities in Micronesia
- ▶ SPF initiates meetings and coordination with the following government agencies:
 - July US Department of State and US Coast Guard
 - September Presidents of Micronesia and Palau
 - October Australian Department of Foreign Affairs and Trade and Royal Australian Navy

FY2009

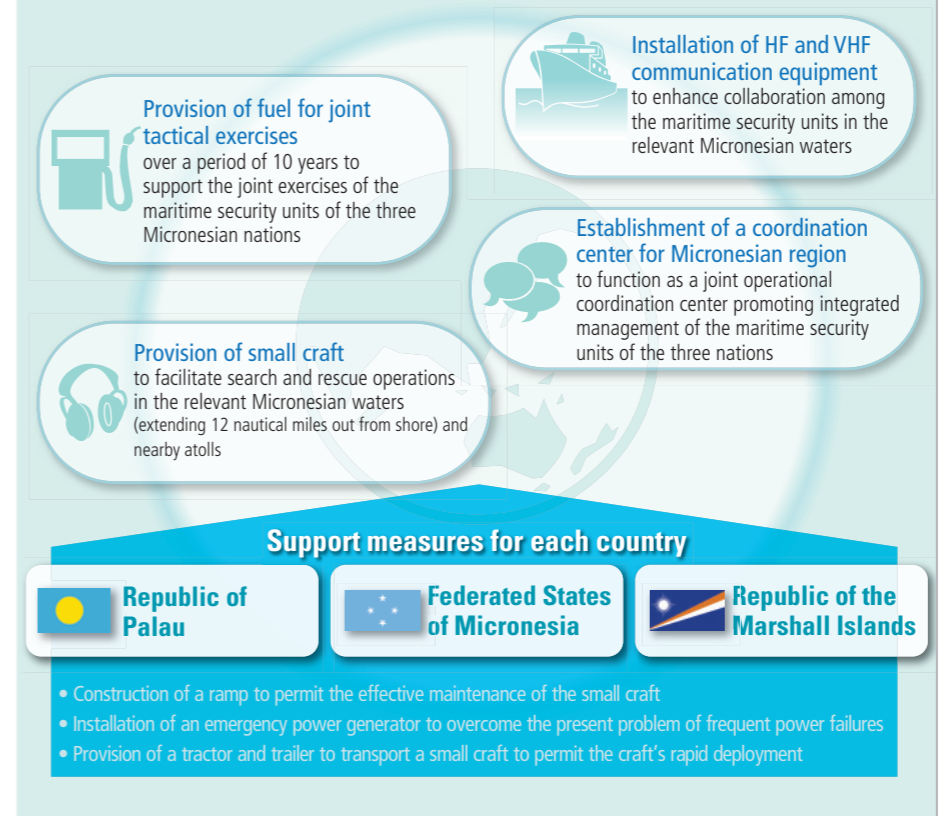
- ▶ SPF conducts a joint Japan-US fact-finding mission to determine specific support to be provided
- ▶ SPF participates in the 9th Micronesian Presidents' Summit, which issues a joint communiqué that welcomes the efforts to realize a coast guard
- ▶ The First Meeting* is held in March 2010 in Tokyo, adopting a joint communiqué

FY2010

- ▶ June The Second Meeting* is held in Guam to discuss specific support at the working level including government officials of the three Micronesian nations, officials from maritime surveillance agencies in Japan, the US, and Australia, and SPF executives and outside experts
- ▶ July SPF executives provide a progress report at the 10th-Micronesian Presidents' Summit held in Palau
- ▶ August–September SPF executives and outside experts visit the three Micronesian nations and travel to Washington, D.C., USA and Canberra, Australia for necessary coordination and discussions in advance of the Third Meeting*
- ▶ November The Third Meeting* is held in Palau with the involvement of Japanese, US and Australian government officials, The Nippon Foundation and SPF executives, and scholars, with the aim of reaching final agreement on the specific support measures.

* Meeting of Six Nations and Two Non-Governmental Organizations for Strengthening Maritime Surveillance Capacity in the Micronesia Region

Figure 2. Most Viable Support Measures Based on Fact-Finding Mission



At the Third Meeting of Six Nations and Two Non-Governmental Organizations for Strengthening Maritime Surveillance Capacity in the Micronesia Region (Koror, Palau)

Identifying the Most Viable Support Measures

There are three main components of the support measures proposed for the three Micronesian nations: the provision of small craft for conducting search and rescue operations in territorial waters (extending 12 nautical miles out from shore) and nearby atolls, installation of communication equipment, and establishment of a coordination center to facilitate maritime surveillance activities.

The key points of the support measures are outlined below.

1. An emphasis on viable maritime surveillance activities by establishing a regional coordination center and providing communication equipment and fuel in addition to the small craft.
2. The convening of meetings by the six governments and NGOs involved to engage in international coordination. This is to ensure that the support measures supplement the respective support already provided by various countries.
3. The provision of support measures that match the local needs, based on the findings of the fact-finding mission.

The Third Meeting took place on November 11, 2010 in Koror, Palau. The meeting came to agreement on a Summary Record of Discussion, through which the participants agreed to implement the support framework proposed by SPF and The Nippon Foundation in phases starting from April 2011. The participants also agreed that representatives of the six nations would hold regular meetings to check on the progress of the measures.

Details about the support measures that have been agreed upon are outlined in the Co-Chairperson's Summary Statement on Strengthening Marine Surveillance Capacity in Micronesia Region (Tokyo, Japan; March 2, 2010), available here: <http://www.spf.org/e/media/dbfiles/1852652a01e.pdf>.

However, the support must be skillfully combined and coordinated with existing support measures being provided by the US and Australia. Therefore, SPF determined to coordinate with these two countries in addition to the three Micronesian nations in order to decide on the specifics of the support.

The 9th Micronesian Presidents' Summit held in July 2009 issued a joint communiqué in which the presidents of the three Micronesia nations hailed the proposal, by indicating that they welcomed the efforts by SPF to realize a regional coast guard. The presidents also welcomed the convening of an international meeting by governments and NGOs to discuss the formulation of specific support measures.

First Meeting of Relevant Nations and NGOs

SPF and The Nippon Foundation jointly organized the First Meeting of Six Nations and Two Non-Governmental Organizations for Strengthen-

ing Maritime Surveillance Capacity in the Micronesia Region, which took place on March 2, 2010 in Tokyo, Japan. At the meeting, the participants exchanged opinions about the appropriateness and feasibility of the support measures developed based on the results of the fact-finding mission implemented in 2009.

The participants also agreed to hold the Second Meeting in Guam in June 2010 to examine specific support measures for the three Micronesian nations at the specialist and working level and to convene the Third Meeting in Palau by the end of 2010 to reach a final decision.

These international meetings, which involve governments and NGOs engaging in multilateral coordination efforts, are a groundbreaking model case of NGOs taking the initiative within a public-private partnership in the Micronesia region to pursue the most viable measures.



NGOs Help Keep Channels Open for Defense Exchange in the Field of Security— Providing Opportunities to Better Understand the Partner Country

For Summer Release: *History, Current State and Future Prospects for Japan-China Defense Exchange* (Working Title)

The Sasakawa Japan China Friendship Fund (SJCF) implements a Japan-China exchange program for field officers with the cooperation of Japan's Ministry of Defense and the Ministry of National Defense of the People's Republic of China. SJCF implements the program as a unique non-governmental channel in the field of security that remains free of political influence, even through the rocky history of Japan-China relations. However, until now, there has not been a full accounting of the history and current state of defense exchange as implemented by NGOs and governments, nor were these activities widely known.

This project seeks to survey and revisit the record of security exchange by governments and NGOs in order to compile joint research on defense exchange between Japan and China. The results of the project will be published in the forthcoming book *History, Current State and Future Prospects for Japan-China Defense Exchange* (working title).

Better Understanding the Partner Country

Rarely have we seen the publication of a collec-

tion of papers that comprehensively compiles and describes the history of national defense exchange. Exchange by NGOs is enabling the participants to better understand the partner country.

Until the early 2000s, symposia for discussing security issues took place in the open as places for engaging in opinion exchange, but the opinion exchange has since moved behind closed doors. Open symposia had become venues for pursuing publicity for official views, so the discussions remained parallel without fostering deeper interaction. Under the circumstances, the respective parties were unable to fully understand the partner country.

Since the exchange has moved behind closed doors, both countries have begun to engage in very frank discussions and healthy opinion exchange, tabling common topics such as UN Peacekeeping Operations and the defense white papers of each country.

Writings from Current Defense Officials of Japan and China

Based on this groundwork, the forthcoming book

outlines the history, current state and assessments of Japan-China defense exchange from the perspectives of both Japan and China. The authors comprise various specialists including officials of Japan's Ministry of Defense and Chinese People's Liberation Army, who directly examine the meaning and role of defense exchange in Japan-China relations.

The project first surveyed the record of security exchange by governments and NGOs by enlisting the cooperation of academics on security issues and relevant agencies from both Japan and China. Next, the project organized the Symposium on Security Guarantees for Northeast Asia, which was held in both Tokyo and Beijing. The symposia formed the basis for the forthcoming book, which includes writing from specialists on security issues. Current defense officials also contributed Chapters 3–4 of the book.

Through the book, readers will gain an understanding of the multiple channels for defense exchange, both at the government level through the security officials of both countries, and through NGOs. It is hoped that this understanding will foster greater trust between Japan and China.



Forthcoming Book: *History, Current State and Future Prospects for Japan-China Defense Exchange* (Working Title, Publication in Japan and China)
 Editors: Masahiro Akiyama, et al.

Contents

Foreword

Chapter 1: Background, Positioning and Assessment of China's Defense Exchange
 Zhu Feng (School of International Studies, Peking University)

Chapter 2: Logical Observations on Security and Defense Exchange
 Masahiro Akiyama (Ocean Policy Research Foundation)

Chapter 3: History of Japan's Defense Exchange
 Yukinari Hirose (Kyushu Defense Bureau, Ministry of Defense)

Chapter 4: History and Current State of China-Japan Defense Exchange
 Tong Wenqi (Foreign Affairs Office, Ministry of National Defense)

Chapter 5: Japan's Security Policy and Japan-China Defense Exchange
 Masayuki Masuda (The National Institute for Defense Studies, Ministry of Defense)

Chapter 6: Mechanism, Purpose and Benefits of China-Japan Defense Exchange
 Jiang Xinfeng (Academy of Military Science)

Chapter 7: Assessment of Japan-China Defense Exchange from Japan's Perspective
 Seiichiro Takagi (Aoyama Gakuin University)

Chapter 8: Assessment of China-Japan Defense Exchange from China's Perspective
 Ouyang Wei (National Defense University) and Yu Tiejun (School of International Studies, Peking University)

Chapter 9: Future Outlook for Japan-China Defense Exchange from Japan's Perspective
 Mataka Kamiya (Graduate School of Security Studies, National Defense Academy)

Chapter 10: Future Outlook for China-Japan Defense Exchange from China's Perspective
 Wu Ji'nan (Shanghai Institutes for International Studies)

Research Note 1: Japan-China Field Officer Exchange
 Yoshiyuki Kobayashi (Sasakawa Peace Foundation)

Research Note 2: Symposium on Security Guarantees for Northeast Asia
 Zhou Xinzheng (China Association for International Friendship Contacts)

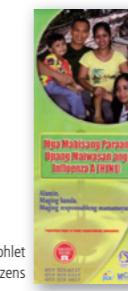
Appendix 1: Japan-China Joint Press Statement

Appendix 2: Chronology of Japan-China Defense Exchange

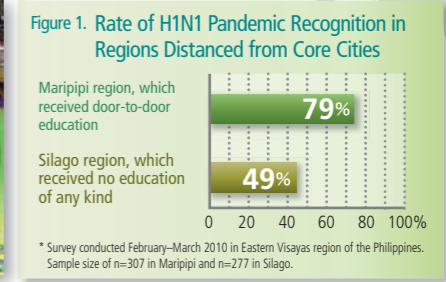
Afterword

Notes:
 1. As of June 2011
 2. Publishers: Japanese edition by Akishobo, Chinese edition by World Affairs Press

Improving Education and Surveillance Systems in Developing Countries, While Taking Local Situations Into Account



Educational pamphlet distributed to citizens



The influenza A (H1N1) virus emerged nearly two years ago, and the chain of response to the new strain of influenza virus was a sharp reminder that Japan is closer than ever to the rest of the world. There is a need today to reexamine the reaction and response to borderless issues that threaten human life, security and economic society.

Non-Traditional Security Issues

In the spring of 2009, the H1N1 virus that originated in North America spread like rapid fire to become a global pandemic. Fortunately, the H1N1 virus proved to have a low pathogenicity.

At the same time, there remains the possibility that the highly pathogenic avian influenza (H5N1) will mutate into a new strain of influenza virus, which would cause significant impact in developing nations that are particularly strapped for medical and economic resources. Consequently, there is a need for appropriate national response and effective intraregional collaboration between countries.

SPF has been operating the Addressing an Avian Flu Pandemic through Intraregional Cooperation project since fiscal 2008, under its non-traditional security issues program, which targets borderless threats to human life, security and economic society. The project aims to address these issues through intraregional collaboration in Asia involving diverse parties to seek solutions that extend beyond the framework of specialized disciplines and national borders.

Key Focus on Education

Local and national responses are essential to dealing with the threat presented by a new strain of influenza virus, which can spread rapidly through simultaneous

and frequent transmission. However, the Asian region still encompasses many developing areas, which noticeably lack response measures the more remote they are.

The challenge is to find ways to slow down the speed of transmission throughout the entire region within the constraints of limited medical resources. This is because an infection chain starts to develop once people begin to see the disease as a minor illness and believe they will not suffer much harm even if they get infected. At the end of the infection chain, though, are people at high risk, including those who lack immunity, have underlying medical conditions, or are pregnant.

If high-risk persons become seriously ill, the death toll will increase. Meanwhile, the spread of infection increases the burden on medical facilities. Under these circumstances, it is important for each person to make an effort do the following:

1. Take precautions against becoming infected, such as by washing hands, staying away from crowds, and wearing a mask
2. Take precautions against infecting others, such as by staying indoors if one is infected
3. Be knowledgeable about the facts surrounding transmission

As part of the project, SPF supported the efforts of Tohoku University Graduate School of Medicine to provide field education in the Eastern Visayas region of the Philippines and study the effectiveness of the education, as well as to construct a surveillance system. The investigation found that there were large gaps in terms of taking precautions against infection and patient examination by medical facilities, comparing regions in which door-to-door education activities were carried out and those that did not receive such active education (Fig. 1). The rate of awareness regarding transmission also

correlated with higher household income, higher literacy rates, and urban density. There is a need to utilize this data in order for governments and media to improve their approaches to disseminating information.

Intraregional Collaboration and International Workshop

Tohoku University and SPF organized an international workshop that took place in February 2011 in order to share the research findings with infectious disease experts, local government officials from Asian countries, and officials of international agencies. Also attending the workshop were practitioners who are working at the front lines in regions where cases of H5N1 infection are continuing to occur, such as Indonesia and Thailand.

The following common challenges emerged out of the discussions:

1. Pandemic measures initially focused on containment measures, and the emphasis gradually shifted to mitigation measures. However, there are no guidelines in place for the timing of the shift to mitigation measures, nor for situational assessment.
2. There is a grave lack of vaccines, antivirals, and clinical care systems. Better systems should be developed where they are needed.
3. Consequently, there is a need to build better surveillance and laboratory testing frameworks at the local level.
4. Education and training regarding infectious disease and public health are of crucial importance.
5. There is a pressing need to build collaborative relations for prevention, early detection, outbreak prevention, and medical response at the regional and national levels.

It is also understood that the first step toward resolving these challenges is to strengthen local capacity for preparedness and response.

Strengthening Economic Survey Capacity in Lao PDR Project

Paving the Way toward Formulating Autonomous Economic Policy and Economic Management by Developing Economic Indices and Models

Souknilanh Keola Development Studies Center, Institute of Developing Economies, Japan External Trade Organization (JETRO)



Economic Policy Formulation Based on Quantitative Data

Q: What is your specific involvement in the project?

Keola: I work at JETRO's Institute of Developing Economies, and from my position, I provide indirect support to the project as a Laotian researcher, rather than working as an immediate project member of NERI.

The project revolves around the activities outlined in Figure 1. Firstly, the project is developing short-term economic indices such as corporate business forecasts and consumer trends. In order to obtain data, we are building survey frameworks including sampling and survey design and are training local survey staff. We are also developing methodologies for data tabulation and analysis.

A landlocked country like Lao PDR requires different methods for developing index data than a country like Japan. Take, for example, the collection of import and export data. There is some official data such as customs data, but there is also a great deal of informal local trading (not smuggling) with bordering countries. Therefore, deciding on the method for collecting this data becomes critical to developing data that matches the local circumstances in Lao PDR. In terms of employment, there are several hundred thousand Laotians working in Thailand as migrant workers.

Together with the development of index data, we are pursuing development and research for macroeconomic forecasting models. This work will aid in the formulation of medium- and long-term economic policy.

Strong Project Ownership

Q: Based on your experiences in a variety of international projects through your position with

JETRO, what do you see as being the distinguishing characteristics and role of non-governmental international cooperation organizations such as SPF?

Keola: International assistance and cooperation is provided by various other organizations including governments, corporations, and research bodies such as universities.

SPF has a role in supplementing assistance and cooperation provided by these other organizations. Government-based assistance and cooperation is subject to various official constraints. With corporations, corporate interests come to the forefront, and with universities, academic purposes take priority at the expense of practical application.

The strengths of an NGO like SPF are in practical application and independence. Firstly, there is a clear and specific purpose, as in this project, which makes the prospects very good. The project participants will not lose sight of the purpose, so that they can focus their teamwork on the goal. Secondly, there is strong ownership of the project, to facilitate communication of the specific needs of the Laotian side. The project places a priority on the needs of Lao PDR, which is crucial. Thirdly, there are not many constraints to hinder the project. Consequently, we can advance the project without worrying about official perceptions, and tailor it to local needs.

For this project in particular, steady efforts will lead to sure improvement of policy capabilities for economic management. The project is also training personnel involved in formulating economic policy and is broadening exchanges in the areas of politics, economics, science and culture. At the end of the process, we can see a vision for true autonomous economic growth by Lao PDR.

Lao PDR is in need of further development for the preparation of economic indices and data, as a basis for policy formulation. SPF is supporting the National Economic Research Institute (NERI) of Lao PDR by providing guidance for survey analysis needed to develop economic index data used for policy formulation, and is supporting the training of survey and research staff.

This soft assistance differs from support for hard infrastructure such as bridges, roads and schools. The soft assistance focuses on knowledge and technology for survey analysis, human resources development, and development of survey frameworks. To address these needs, SPF has organized a group of economic experts from Japan to assist with development of economic index data by Lao PDR.

We interviewed Souknilanh Keola, a native-born Laotian and a member of the expert group which is supporting the project.

Figure 1. Overview of Project

Formulation of Economic Policy and Improvement of Economic Management Capabilities

- Develop economic index data for economic policy formulation and economic management
- Establish survey methodologies for data development, and develop survey frameworks
- Conduct training for economic analysis and policy formulation, and train survey staff

Short-term economic index surveys and development of survey frameworks

Develop export and employment indices, establish survey methods, choose survey areas, train survey staff, and conduct surveys. Compile and analyze collected data at NERI.

Basic research for formulation of medium- and long-term policy

Conduct basic research for development of long-term economic outlook methodologies and forecasting models. (Study methodologies and ways of establishing frameworks.)

Growing Website Brings News about Japan to a Wider Arabic Audience

Alyaban.net Launched as Arabic Language Resource for Information on Japan



The Sasakawa Middle East Islam Fund (SMEIF), which was established in April 2009 by SPF, launched the Alyaban.net website (<http://www.alyaban.net/>) in December 2009 as an Arabic language resource for information on Japan. ("Alyaban" is the Arabic word for Japan.)

The Alyaban.net website offers daily news items from Japan, supplemented with accessible news analysis in order to help Arabic readers better understand the history and background behind the reported events.

The website also features occasional articles featuring Arab perspectives and Japanese opinion pieces, and basic information on Japan on tourism and for international students. The website is viewed by readers from all corners of the Arab world including Egypt, Saudi Arabia, Qatar and Iraq.

The aim of the website is to increase the number of people who are knowledgeable about Japan in the Arabic world and encourage goodwill. The website is being constantly updated every day, driven by the goal of informing more people about Japan.

Alyaban.net has been operating for more than one year since its beta launch. Moving forward, the website will endeavor to offer an expanded range of basic information content and the activities of SMEIF. The website will also be used as a platform for communication with readers, such as through the future launch of an e-mail newsletter. From its modest start, Alyaban.net offers great potential to serve as a source of information in the Arabic language to encourage dialogue and a greater understanding of Japan.

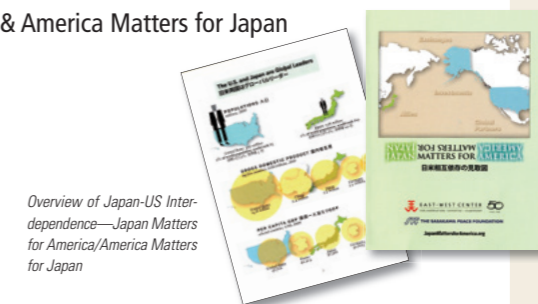
Diagramming Interdependent Japan-US Relations in Diverse Fields Based on Quantitative Data

Bilateral Dissemination of Information on Interdependent US-Japan Relations

SPF grant project: Japan Matters for America & America Matters for Japan

This project involves the collection of data on interdependent US-Japan relations in diverse fields for publication in a report and on a website. The project will use extensive graphics to aid readers in order to facilitate a broad and in-depth understanding of Japan-US relations and encourage mutual understanding between the two nations.

The initiative was launched in fiscal 2009 as a grant project of the US East-West Center to collect diverse data in areas such as trade, tourism, international investment, security, sister-city relations and international student exchange. In the US, data was collected by state or congressional district, while data for Japan was collected by prefecture.



Overview of Japan-US Interdependence—Japan Matters for America/America Matters for Japan

In tandem with the collection of data, the project analyzed the close influence that the US and Japan have on each other. The project summarized the results with the publication of the Overview of Japan-US Interdependence Report, which reassesses the current state of interdependence between the two nations. The project also completed an information website (<http://www.JapanMattersforAmerica.org/>) in 2010.

Main Findings from Overview of Japan-US Interdependence Report

- ▶ Although the Japanese and US populations combined represent no more than 7% of the world's total population, the two countries together account for 32% of the global economy (2010), 24% of total foreign investment (2009), and 16% of world trade (2008).
- ▶ Affiliates of Japanese companies employ approximately 665,200 people in the US (2007).
- ▶ Japan is the top foreign destination for US investment, at US\$75 billion, a figure similar to the total for all EU member nations (2009).
- ▶ The number of people traveling between Japan and the US (including US territories) reached 11.3 million in 2008, a 20% increase from 1990.
- ▶ Japanese cities have sister-city ties with more cities in the US than in any other country. There are more than 400 pairs of sister cities (including towns and villages), 17 pairs of sister prefectures/states, and 7 pairs of sister ports.
- ▶ The two countries represent the first and second largest financial contributors to UN peacekeeping operations, providing a combined total of 40% of all overall contributions.

Policy proposals by Global Demographic Change and Labor Migration in Asia Project (announced on March 8, 2011)

Policy Proposal 1

Formulate a basic plan to actively accept foreign human resources in order to address Japan's shrinking population



Japan should formulate a vision and basic plan that is aimed at actively accepting needed foreign human resources. This is necessary to

enhance industrial competitiveness, so that Japan can maintain living standards and rural communities that adjust to demographic change.

Policy Proposal 2

Adopt an employment permission system



In order to address its shrinking working-age population, Japan should further mechanize and raise the sophistication of its industrial structure. Furthermore, Japan should develop a labor market that is appealing to women and older people, while taking an active stance on accepting foreign human resources through the adoption of an employment permission system. While it is desirable to employ local residents

for economic activities, when this is not possible, Japan should accept foreign human resources that meet the labor market test. Existing programs should be integrated into the employment permission system. In addition, the government should collect an employment tax from employers, from the standpoint of the benefit principle, and use the revenues to fund job training and social integration policy.

Policy Proposal 3

Accept domestic workers, caregivers and nurses to support a super-aged society



Japan, cited to become a super-aged society in the next 20 years, will need to double the present number of caregivers and nurses over that same time period. Japan should renew its efforts to develop a market for domestic workers as a way to increase the options for securing

household work. Japan should actively accept foreign caregivers and nurses ready to provide such care. Through these efforts, Japan should strengthen its framework for supporting women in the workforce and build up social infrastructure.

Policy Proposal 4

Implement a social integration policy for a multicultural society



Japan should introduce legislation with budgetary provisions that establishes a social integration policy for the more than two million foreign residents in Japan today, as well as the foreigners arriving in the future. Based on the principle of equal opportunity,

the social integration policy should secure necessary Japanese language acquisition and open up job training and education opportunities to help foreign residents achieve economic independence.

Policy Proposal 5

Develop a global framework for cooperation to prevent competition for human resources



Japan is not the only country to face a shrinking population, which portends future competition for human resources. Without a multilateral cooperation framework that encompasses both sending and receiving countries, there is a risk of increasing international migration at the

expense of the social reproduction of sending countries. Japan should take a leadership role in developing an ethical framework for multilateral cooperation.