

The Asian Leadership Conference 2008

Seoul 21-22 February 2008, Dynasty Hall, The Shilla Hotel, Seoul

Session 6: Japan: A New Role in Asia

A Geriatric Peace : Democracy and Demography in the 21<sup>st</sup> Century

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(Introduction)

It is my great honor as Japan's Parliamentarian and as Deputy Director-General of the International Bureau of the LDP, the ruling party of Japan, and also as former Minister of State on Gender Equality and Social Affairs to address this Leadership Conference. I add my voice to many others in congratulating the Chosun Ilbo, the innovative organizer of this conference for the very relevant focus on the leadership issue in Asia. Do we in Asia have sufficient leadership and political will to provide solutions for emerging challenges and also persistent problems in Asia and beyond? Do we suffer from what may be called the leadership deficit problem, namely, the insufficiency of political leadership to cope with the accelerated accumulation of local, regional and global problems? How can we overcome the leadership problems, and, in particular, how can Japan play a new leadership role in the region and beyond?

(Power of knowledge)

Before I speak on Japan, allow me to point out that the international system is changing in fundamental ways. It has become more integrated and interdependent, thus nature of our political leadership must always embrace regional and multilateral perspectives. Also governments today have come under increasing pressure to respond to a wide-range of complex issues that cannot be simply solved by raw power or only by traditional institutions and methods. Thus we should share experiences, knowledge and best practices with a view to providing rules and

architecture for solutions region-wide or even globally. In other words the power of knowledge or battle of ideas have become increasingly more important, and this is why conferences like this is relevant, and also business communities and civil society, including scholars, researchers, think tanks, non-profit organizations, media and all interested citizens are important partners in domestic and international decision making process. Governments, in order to be effective, must reach out to the civil society including the business communities to make best use of knowledge including local knowledge that belongs to local citizens and affected people. The role of international organizations and legal instruments are increasing as well. Thus managing a stable global order is no longer the exclusive business of states, but sovereign states must take the lead in consolidating leadership at all levels, local, national, regional and global. I would like the chair to transmit this message to your President –elect, and advise him to reach out for knowledge which so richly exist in his own country and beyond. The power of knowledge is the key.

(Japan's basic constraints)

Now, on Japan: every country has its own unique constraints and national premises, and often those constraints and premises become the sources of political leadership. This is because the government and the people had to spend extra or extraordinary efforts to cope with them, and therefore they in the end find themselves quite skillful in those areas. Then the question is what are such unique constraints or premises for Japan, and how did Japan cope with them?

First, Japan is a resource-poor country, but it has become the 2<sup>nd</sup> largest economy in the world. How could a resources-poor country become so prosperous and economically stable? The answer is in the power of education, innovation, and proactive trade and investment policy synergies, while being mindful of keeping the social cohesion. Today, Asia-Pacific region accounts for nearly 30% of the global

trade, and except for trade within the European Union, more than half of 10 top global trading economies are in this region. Japan is the leading trader in this region, and Japan's economic development is a textbook exemplary case of how a resource-poor small country can grow and prosper. It is in the interest of Japan and region as a whole that Japan must not fail in keeping its economic progress, since it is a living example of how a country can overcome even the most unfortunate disadvantages. And, in fact, some of our frontier technologies are providing solutions to global problems such as environmental protection, energy-saving, and counter-global warming. Japan excelled in these science and technologies simply because we had to save energy because we are poor in energy and natural resources. Now they have become our strength and we want to play a leadership role in anti-global warming mechanisms and save-energy business models. Our Prime Minister Fukuda is will play a leadership role in these and related areas at the G8 Summit in July.

(A geriatric peace?)

The Second constraint for Japan is the aging of the population. There are two major changes that will affect the socio-economic performances of our region in the long-term. These are climate change and demographic change. While many pay attention to the climate change, I am a minority in these conferences when I focus on demographic change. But the real impact of the demographic change is acute in East Asia among Japan, South Korea, and soon China, and the impact will arrive faster than climate change. Thus due attention ought to be paid the demographic change as well.

Japan faces a sharp decline in child birth. It is around 1.1 million birth per year, and the total fertility rate is 1.32. When I was a minister in charge, I introduced series of policy measures to expand child care facilities and family support systems

together with local governments. I also promote gender equality so that women can have work and family. It is well known from European cases that greater the labor participation of women in the labor force, higher the total fertility rate, because working women tend to raise their voice in demanding better child-support measures, which in the end benefit all women and young families. It had an immediate impact. The TFR recovered from 1.26 to 1.32, the biggest increase in the last 50 years. After my resignation in late 2006, the rate has dropped again. This shows policies matter, and that visible political leadership matters particularly among the young citizens and voters.

Nevertheless, in the long-run, Japan and East Asia generally will face a geriatric society, namely increasing number of aged population. In 2040, nearly 40% of our population would be over 65 years old. Since Japanese men and women enjoy the longest longevity, there is a social campaign to seek incumbency at a senior age to offset labor shortages.

Now what would the arrival of a geriatric society mean to the region? Here I would like to suggest a bold hypothesis. It is a hypothesis concerning the regional security, since I was professor of international relations for many years before my parliamentary duties. The hypothesis is called "A Geriatric Peace." The aging democracies are most likely to experience an unprecedented rise of social welfare expenditures, and this could restrain them from resorting to excessive increases of their defense budgets. In the long-run aging democracies are most likely to favor diplomatic solutions over military options not only because of their maturity but also because of the high cost of medical and social insurances. It would no longer be a choice between butter and gun, but between medicines and guns.

Japan and the EU could be the pioneers of this political and social dynamics for

peace. We should conceptualize the aging problems from these perspectives, take the leadership in providing some active nuance and meaning to the aging society.

There are other reasons for a geriatric peace. A shrinking of the workforce will lead to the importation of labor. If managed with prudence, this could lead to a new stage of people's interdependence and cross-cultural knowledge. Interdependence would no longer a vocabulary for business elites and professors, but peoples' interdependence will become more visible. This should be managed in a way to enhance people's knowledge and cultural sensitivities.

Now what would happen, if we could stop the demographic change and even reverse the demographic decline? The society will still be a fundamentally peaceful one, since as we endeavor to stop the demographic decline, we will reform the past growth paradigm and reformulate our societies with a new modern paradigm, totally different from the traditional modern growth paradigm. In the traditional growth paradigm male labor of a homogenous nature constituted the mainstream. Women with children, senior citizens, handicapped persons, for example, were not given due attention or opportunities. As we incorporate more women, either simply due to the need to fulfill the labor shortage, or from the deeper understanding of numerous sociological findings that women's labor participation increases the birthrate, we are changing our growth paradigm to embrace diversity. It would mean the deconstruction of modern growth paradigms of linear progression with uniform values and a homogeneous labor force, and rebuild a new modern paradigm---not a post-modern paradigm--- with a new social philosophy of inclusion, diversity and balance. These efforts should correlate well with, for example, emphasis on environmental protection, but less with military aggrandizement.

Lastly, Japan pursues nuclear disarmament and non-proliferation policies, and this is our national premise which is based on our tragic past. Japan aspires to take the

leadership role in disarmament and non-proliferation, and I fully appreciate Dr. Kissinger's emphasis on the need for the international community to have one voice in pursuit of non-proliferation in East Asia and beyond. I thank you.