Willing and (Somewhat) Able
Japan’s Defense Strategy in Graying Asia

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In 1979, Harvard professor Ezra F. Vogel published his landmark tome, *Japan as Number One*, which—as the title divulges—argued that Japan was “running rings around the US.” But sometime between 1990 and 1995, Japan surpassed Sweden to claim the title of World’s Oldest Population. The country that had once seemed poised to become the world’s next superpower was rapidly spiraling downward. Japan-watchers began to argue that an aging population was the death knell for superpower status. Certainly, without a strong economy, which seemed clearly linked to an adequate working-age population, Japan could not afford a capable defense.

Today—despite a record-breaking median age of forty-six years—Japanese policy makers led by Prime Minister Shinzo Abe are rebuilding Japan’s defenses and defying those early expectations. As Japan’s population has aged, its leaders have increased their emphasis on national defense and ability to respond to security threats. Though an aging society forms an important backdrop against which leaders make decisions, the relationship between aging and defense may or may not be causal. Other internal and external factors, particularly domestic politics and growing tensions in Asia, have also shaped the direction of Japan’s strategic shift. Japanese leaders have, at the very least, realized that an aging state in a volatile region must avoid appearing weak. To build itself as a defensive power, Japan has changed prohibitive laws, increased its budget, built a network of informal alliances, and adapted its economy to the realities of population aging.

Because Japan has the world’s oldest population, its changes in national defense offer an

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important example worth analyzing. Although Japan will keep the title of oldest nation for at least the next several decades (because of low fertility and long life expectancy), most of the world’s developed states are also aging. Whether Japan can manage to build a strong defensive capability with an aging population may tell us more about how similarly aging states are likely to fare—especially in the Asia-Pacific region, which is home to a significant proportion of the world’s aging states.

Key Ingredients for Defense: Willingness and Ability

As Michael Auslin argued in a recent issue of Foreign Affairs magazine, Japan has wanted to develop a stronger defensive capacity since the fall of the Soviet Union, which was soon followed by North Korean military threats and the economic and military rise of China. The United States’s focus on the Middle East from 2001 onward probably also played a role in making Japan feel less secure. But even if the willingness for stronger defense was there, the ability to achieve it was not. Japan’s economic bubble burst in the 1990s and a series of leaders failed to turn the economy around. Japan had neither the leadership nor the economic foundation to increase its defensive capacity. Both of those factors have changed, albeit to different degrees. Japan has strengthened its defensive capabilities, but the fundamental social and economic changes brought by population aging prevent Japan from competing for global hegemony. The following sections explore the role population aging has played in Japan’s willingness and ability to build a strong national defense.

Willingness: Japan’s Vision

According to Japan’s Ministry of Defense in its 2015 white paper, “Defense capabilities are the nation’s ultimate guarantee of security, expressing its will and capacity to eliminate foreign invasions, and they cannot be replaced by any other means.” To avoid appearing weak, Japan has shifted its grand strategy and is working to play a more important role in the region. To that end, Japan has changed its national security structure, revised its constitution to empower the military, increased its defense budget, and expanded diplomatic ties both within the region and with other liberal states outside the region.

While he is certainly not alone in his desire to see Japan strengthen its defenses, Prime Minister Shinzo Abe champions Japan’s more prominent international role more than anyone else. During his first, brief stint in office in 2006, Abe “pushed through a number of laws to allow for greater security cooperation with Japan’s partners” and led a review of Japan’s national security structure and policy, including Japan’s ban on sending troops overseas. When he returned to office in 2013, Abe put those plans in action.

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8 Auslin, “Japan’s New Realism: Abe Gets Tough.”
One of his first steps was creating Japan’s National Security Council, which coordinates the nation’s security policy. The national security structure has continued to evolve under Abe and includes the creation in 2015 of the Acquisition, Technology, and Logistics Agency (ATLA). Secondly, Abe shepherded a change in a couple of key laws. Most remarkably, in September 2015, the Japanese Parliament voted to change the national constitution and permit Japanese forces to operate overseas under certain conditions. The changes also allow Japan to offer military support to the United States and other foreign armed forces. While Japan’s forces are still restricted from fighting on Korean soil if the North invaded the South, the changes would theoretically allow Japan to provide logistical support to South Korea in such a case. For example, Japan would be allowed to shoot down a North Korean missile headed for the United States. Prior to this change, such missiles would have to threaten Japan directly to justify such action.

Another legal change was the lifting of a fifty-year ban on weapons exports. The big-name industrial conglomerates in Japan like Mitsubishi, Kawasaki, Hitachi, and Toshiba are already in the military hardware business, but have only been allowed to sell to the Japanese Self Defense Force due to the export ban. With the market more open, these businesses may be able to increase volume and lower production costs to compete with giants in the United States. One of the tasks of the new ATLA is to implement the new export policy.

Abe has also increased Japan’s military budget to a record high, despite the budgetary challenges of health care and pensions for a growing older population. Japan increased defense-related expenditures by 2.9 percent in 2014 and 2.8 percent in 2015 because of the “increasingly harsh security environment.” Abe’s 2016 request increased the budget by a further 1.5 percent. With these resources, Abe plans to buy 42 F-35 fighters, 17 Osprey tilt-rotor aircraft, 52 amphibious assault vehicles, 2 new destroyers, and several diesel submarines, surveillance drones, and maritime patrol planes. He also plans to upgrade Japan’s ballistic missile warning systems and satellites. Certainly, such forces are diminutive compared to those of China and the United States, but simply the fact that Japan is working to increase its defensive power in the face of population aging is significant. Whether Japan’s domestic defense manufacturers can sell enough units

15 Auslin, “Japan’s New Realism: Abe Gets Tough.”
to lower prices per unit is an important factor in Japan’s future success as a defensive power. Now, the number of units manufactured is so low that prices are sky-high, and Japan needs much lower prices in order to afford the amount of equipment that leaders need in their quest to make the country more powerful.\textsuperscript{16}

Finally, Abe has increased Japan’s ties to groups like the Association of Southeast Asian Nations (ASEAN) and the Asia-Pacific Economic Cooperation (APEC) and has new military ties with India and Australia—ties that Japan hopes will include those countries purchasing military hardware from Japan. Abe entered into strategic partnerships with Indonesia, Malaysia, the Philippines, and Vietnam in 2015 and signed the Trans-Pacific Partnership agreement as well. Japan also has agreements to share military equipment and technology with France and the United Kingdom.\textsuperscript{17} If Japan can build its military relationships through selling defense hardware, it will build stronger alliances and a more robust domestic defense industry—not to mention increased income from military hardware sales. All of these are especially important for an aging state that may become less self-sufficient as the number of elderly dependents grows and strains resources.

\textbf{Threats: Regional Flashpoints}

Abe’s leadership facilitated the recent changes in Japan’s defense, but external factors drove this shift as well. The Asia-Pacific region contains multiple flashpoints that directly involve Japan and these have prompted Japanese policy makers to do what they can to avoid appearing weak. One flashpoint is the Diaoyu/Senkaku Islands in the East China Sea. In late 2012, China challenged “Japan’s de facto administration” of the these islands by launching joint combat controls, threatening economic retaliation, refusing to attend a major financial conference in Tokyo, and encouraging anti-Japanese protests in China.\textsuperscript{18} To address threats in this area, Abe intends to station ten thousand Japanese troops and a network of anti-ship and anti-aircraft missiles throughout the East China Sea by 2020.\textsuperscript{19} A second flashpoint is the Indian Ocean, where in 2014, China deployed a SHANG-class nuclear powered submarine (SSN) and SONG-class diesel electric submarine (SS).\textsuperscript{20} A third flashpoint is the South China Sea. This area is highly contested both because it holds valuable resources (like fish stocks and oil and gas reserves) and because it is a strategic pathway for commerce.\textsuperscript{21} Japan stated in its

\textsuperscript{16} Pollman, “The Trouble with Japan’s Defense Exports.”
\textsuperscript{17} Auslin, “Japan’s New Realism: Abe Gets Tough.”
\textsuperscript{18} Robert Kaplan, \textit{Asia’s Cauldron: The South China Sea and the End of a Stable Pacific} (New York: Random House, 2014), 37.
\textsuperscript{19} Auslin, “Japan’s New Realism: Abe Gets Tough.”
annual white paper on defense in 2015 that it will “firmly, but in a calm manner, re-
spond to China’s attempts to change the current status quo by coercion.” On top of all
the various territorial claims, piracy has been a problem in the area, so even non-state
actors are involved.

Japan has shown that perceived threat is a key ingredient in willingness and even an
aging state will choose guns over butter if the threat level is sufficiently high. Under
Abe’s leadership, the willingness to meet these goals is present—as for Japan’s ability to
meet them, however, the challenge of aging is tangible.

**Ability: Economic Foundation**

Recently, Japan has worked to adapt its economy to the realities of population aging as
Japanese leaders realize that a strong economy is the foundation of national power. Be-
cause population aging means a society has fewer workers and more retirees, in an aged
state more people take from the economy through entitlements, and fewer contribute
to it. Japan’s total fertility rate in 2015 was about 1.40 children per woman on average,
well below the replacement rate of just under 2.1. Japan’s population aged 20-65 will
shrink by 15 percent by 2035 and Japan’s overall population is projected to shrink by
1.5 million people by 2020 and 9.5 million between 2015 and 2035. Labor force par-
ticipation rates of women and older workers have historically been low in Japan. Yet,
Japanese women and men live longer lives in good health than citizens of any other
state, with a healthy life expectancy of 75 and 71 years, respectively.

Realizing the resourcefulness of older workers, the government has instituted major
initiatives, including liberalizing the labor market, in order to bring older workers into
(or back into) the workforce. Although Japan’s working age population technically
shrank by 8 percent over the last decade, the actual workforce only shrank by 1 percent
because of efforts to boost participation rates of older people and women. Now, “more
than half of Japanese men aged 65 to 69 hold jobs, up from about 40 percent a decade
ago.” Japanese elderly have some of the highest labor force participation rates among
their aged peers in other countries and often exit the workforce well past the official
retirement age of sixty-two. In 2015, more Japanese women worked outside the home
than did American women, thanks to new financial incentives and daycare programs
that make it easier for new mothers to return to work. Prime Minister Shinzo Abe
believes that raising “the share of mothers who return to work after the birth of their
first child to 55 percent by the year 2020 would boost the country’s gross domestic
product by 15 percent.”

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23 Willard, “Press Briefing by NSA for Strategic Communications Ben Rhodes and Admiral Robert
Willard, U.S. Pacific Command.”
25 Jacob M. Schlesinger and Alexander Martin, “Graying Japan Tries to Embrace the Golden Years,”
26 Schlesinger and Martin, “Graying Japan.”
While the fiscal strains of an aging population are real, policy is key to managing the impact and in Japan some policies ameliorate aging, while others exacerbate it. On the plus side, Japan actually pays a smaller proportion of GDP to pensioners than Brazil, a comparatively much younger country. On the minus side, Japan has chosen to only modestly increase immigration to fill labor shortages in key areas like healthcare because of the political and cultural conflicts they witness in immigration-heavy states. Without immigration or the births to replace young people, Japan is surely on a path to an increasing median age and shrinking overall population.

**Defense, Not Offense**

Other states, notably South Korea and China, are threatened by what they perceive as Japan's increasing militarism. But, population aging is a real constraint, but despite the fact that Japan may be able to build itself as a formidable defensive power, it will not be able to build as an offensive power. Because of that limitation, comparisons to Japan's pre-war nationalism are unwarranted. Auslin is one scholar who sees Japan as a benign power and argues that Japan is hoping to “strengthen and defend the open, liberal system that has enriched Asia and led to decades of general stability.” Intentions—which I label as willingness in this essay—aside, Japan will in no way have the ability to threaten the international system in the way it did during the earlier half of the twentieth century because population aging has fundamentally changed the social and economic structures of the country.

**Conclusion**

Japan is not the only aging state in its tense region—Russia, China, South Korea, and North Korea are all aging as well. The working age populations 20-64 years have already peaked in most of the world's biggest powers and strongest economies, including Germany, Japan, Italy, the United States, South Korea, and—most recently—China and Russia. In 2015 China's total fertility rate was only slightly higher than Japan's. China's population aged 20-65 will furthermore shrink by almost 10 percent by 2035. Although Japan is clearly in good company, the country does face several unique defense challenges due to its intense aging. The first of these is Japan's pacifist culture, which is particularly common among Japan's elderly population. Abe's defense reforms were highly unpopular with the Japanese public. The change to allow troops to operate overseas, for example, prompted widespread protests among civil society.

A second challenge is that the Japanese population is still relatively much older than

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28 Gady, “Japan at Peace: The Improbable Military Resurgence.”
29 Auslin, “Japan's New Realism: Abe Gets Tough.”
other populations in both friendly and adversarial regions, so there is a natural ceiling on how many troops the country could muster even if all restrictions on the use of force were removed. The number of military-aged Japanese males peaked at nine million in 1994, then dropped 30 percent by 2000, and will number fewer than five million by 2030, when Japan’s median age will be 52 years.\textsuperscript{32}

The third obstacle Japan faces is with its biggest ally and security guarantor: the future of United States foreign policy is uncertain. The United States presidential election is looming, which creates its own uncertainties, and it will likely take several years before a new administration develops a clear foreign policy strategy. Whether the United States will complete the “pivot to Asia” begun by President Obama or stay entangled in the Middle East is an important question driving Japan’s decisions to focus more on responsibility for their own defense, a goal that intensified in the 2000s.

Japan is the first country to age so intensely, and one question that remains is to what extent Japan is a laboratory for the political, social, and economic changes an older age structure will bring. If Abe’s vision comes to fruition and Japan can remove restrictions on all things military, the country could actually become a major exporter of military hardware, a move that would both increase its economic prowess by bringing in revenue and increase its standing among peers. This would also allow Japan to develop a more sophisticated military force, capable of repelling threats and deterring adversaries. With the changes in play now, Japan could demonstrate that an aging state can hold its own in terms of defense and turn early predictions about population aging on their heads.

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\textsuperscript{32} United Nations, \textit{World Population Prospects}.