

**What does the future look like
in the post-crisis world economy?
JEF – Chatham House Symposium**

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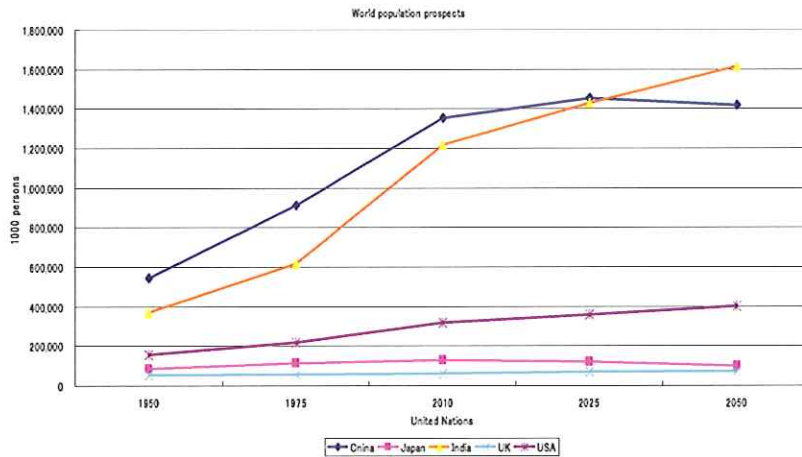
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Post–Crisis World Economy

- The global network economy will continue to expand under the better regulation
- The economic interdependence will increase with growing Foreign Direct Investments
- Large population of China and India used to be a source for the poverty, but will be a strength for continuous economic development combined with the inflow of foreign capital
- What is the role of G7 with stabilized population?

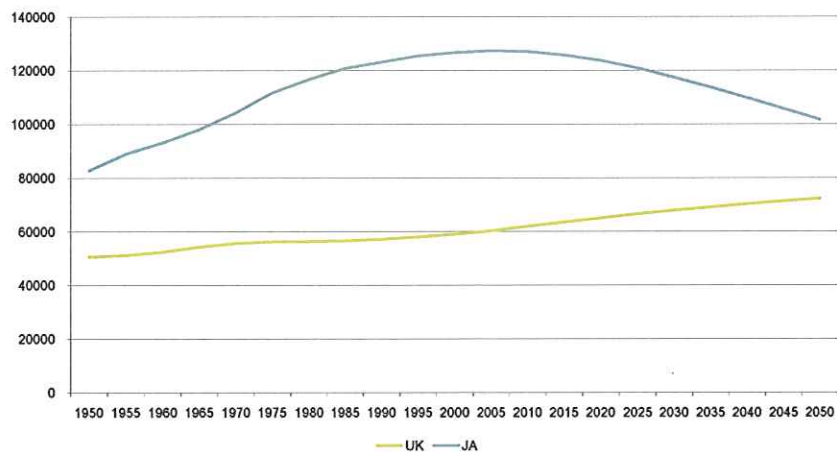
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Growing population of China and India compared with G7 countries



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Japan's population has already reached the peak and will continuously decline...



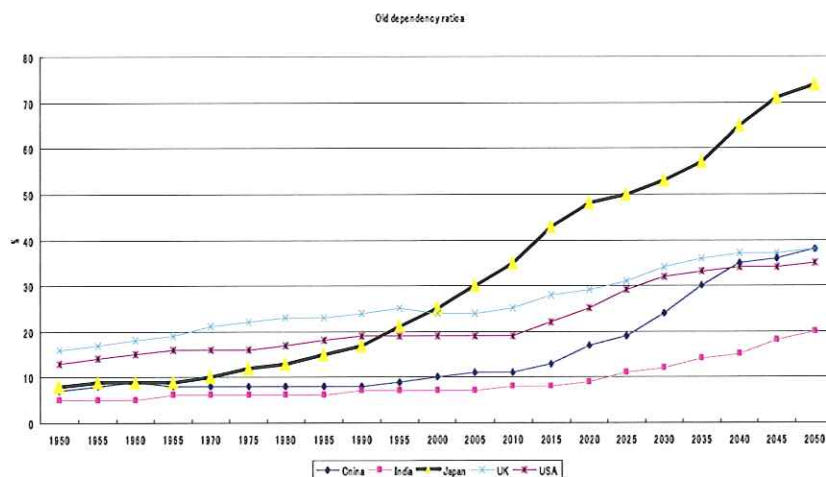
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Aging of the population as a key issue in the post-crisis developments

- Rapidly proceeding aging of population in OECD countries: does it mean weakness or not?
- Reduction of the labor force may well be partly offset by extending the retirement age;
- Increase in tax and social security burden for supporting the elderly could be moderated;
- Aging expands the markets for the services for the elderly, and stimulates the innovation

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Old age dependency ratios



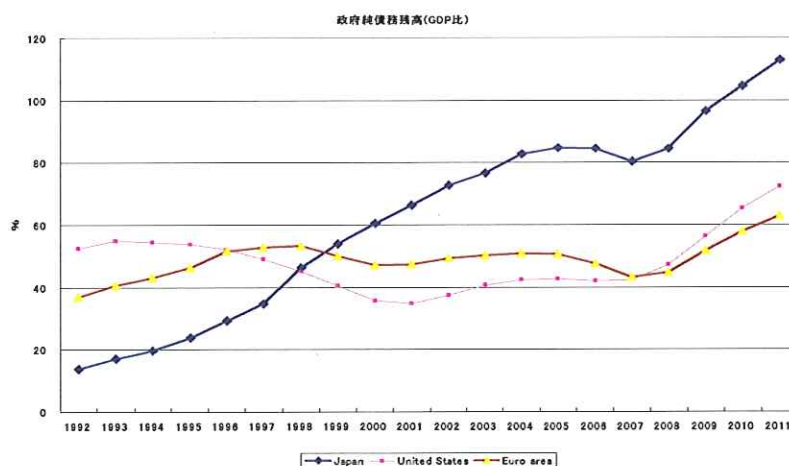
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Economic growth strategy under the aging of the population

- Aging society is gloomy for the public sector through the higher burden of tax and social security contributions
- An increasing number of the elderly implies growing demand for health care and nursing care services provided by the public sector
- Regulatory reform for stimulating the competition in the related sectors is a key for sustainable economic development

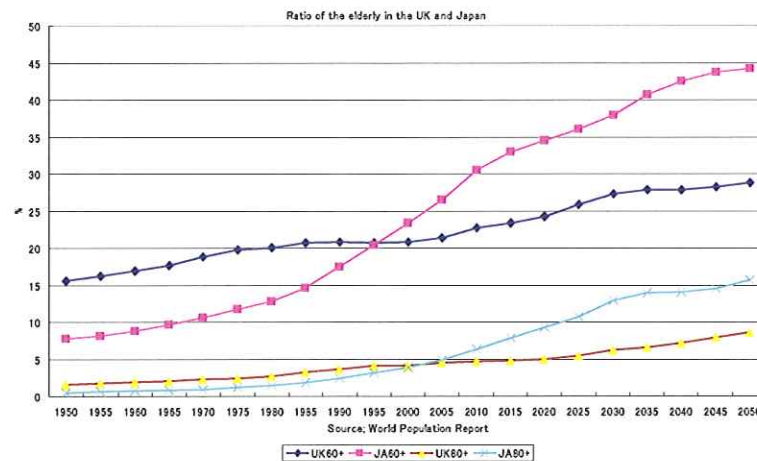
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Accumulating net public debt is a major constraint for the aging society



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An increasing population of the elderly is not necessarily gloomy...



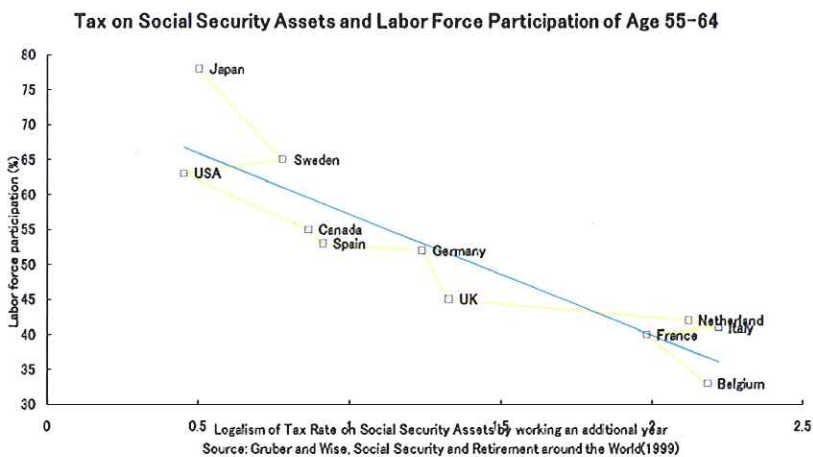
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Making the age and gender-free society and establishing the “Silver Markets”

- Extension of the retirement age would raise the SS revenues while reduce expenditures;
- Removing age-related regulations and practices in the labor markets for the diversity of the elderly;
- Reducing the “penalty to work” in the social security system by achieving actuarially fairness;
- Development of the markets for the elderly meeting with a variety of value-added health care and nursing care services combined with uniformly provided government services.

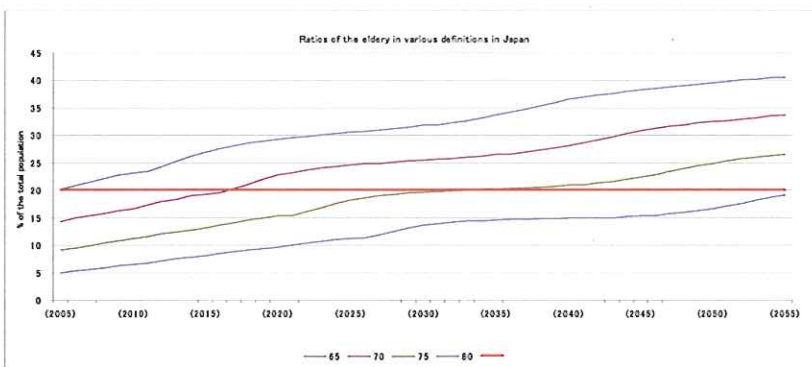
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Higher LFP of the elderly is matched with the less penalty for work under the “actuarially fair” Social Security system



An image of the “Age-free society” is to change the definition of the elderly

- For example, age 65 in 2005, age 70 in 2017 and age 75 in 2033...



A smooth shifting of the world economic power

- Maintaining the open market policy away from the protectionism;
- Free movement of capital, while orderly accepting of human resources under the wise regulations around the world;
- Achieving the age and gender-free society under the flexible labor markets and the social security systems in the OECD countries.