

# Japan's Aging & Shrinking Population Plans for "Grayer" Security Challenges Ahead



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## Introduction

A decade or so ago, when the emergence of rapidly aging and shrinking populations was only beginning to enter public consciousness, a number of scholars advanced an idea that older societies with fewer children would lead to more peaceful international relations. At that time, only Russia and Japan among major powers had experienced population shrinkage as a result of low birthrates and only Japan had reached "super-aged" status (where over 20% of the population is aged 65 or over). Since that time, "aging power" Russia has invaded its neighbor Ukraine in two stages (first in 2014 into Crimea and then a full-scale assault in 2022) and super-aged Japan has greatly enhanced its military capabilities with plans to nearly double its defense spending over the five-year period from 2023-2028. In addition, over a dozen states around the world have entered super-aged status (mostly in Europe) and most of Japan's close neighbors also have begun to experience population shrinkage due to low birthrates and are on the verge of super-aged status themselves. The security environment that has emerged is far from the "demographic peace" idea that many had predicted.

The introduction to Japan's new National Security Strategy (December 2022) – only the second such document in Japan's postwar history – warns that Japan faces "the most severe and complex security environment since the end of WWII" and concludes with these ominous words: "In no way can we be optimistic about what the future of the international community will bring." The strategy that Japan's leaders have developed to address this deteriorating security environment goes against what observers expected of an aging society with a shrinking population and serious fiscal challenges. Rather than looking inward, Japan has greatly expanded the number and depth of security partnerships with other states and has put into place a plan to increase its own military capabilities substantially.

Japan has pursued this course not only because of rising concerns over traditional military threats but also because security concerns that Japan perceives also have "grayed" together with its population. So-called "gray-zone challenges" – that exist in a gray area between war and peace – have greatly increased Japan's security concerns and sparked a robust plan to devote more resources to military security broadly defined.

There has been substantial research and policy discussion about how the declining birthrate can be reversed as Japan's demographic

challenges become more widely known. This should indeed be a long-term goal for a country that is projected to shrink to its 1965 population size by 2050 and will continue to shrink further unless the birthrate increases. For the next two decades, however, Japanese defense planners must work with the existing population: anyone who might join the military or work on Japan's cyber-defenses in the next 20 years has already been born.

This article seeks to explain how Japan's leaders have sought to address growing security challenges despite the graying future ahead. In the short term, Japan has defied expectations set from its so-called "pacifist" past as well as its graying future. Looking into the 2030s and beyond, however, Japan faces bigger hurdles as its population shrinkage accelerates and its fiscal situation worsens. By that time, though, new technologies, deepening security partnerships and alliances, and the rising demographic challenges of Japan's principal adversaries will combine to create a different security environment from what Japan faces today.

## The Paradox of Aging Yet Strengthening

Japan became the world's first super-aged global power in 2005. At that time, the share of the world population aged 65 or older was less than half that of Japan's, only 6.3%; for the US population, it was 12.4%. In 2023, over 30% of Japan's population is expected to be 65 or older. Japan's median age also is the highest in the world. It was the first country to have a median age of 40 years old, back in 1998; today it exceeds 48 (compared to the global median age of 30 and US median age of just under 38).

And yet, Japan underwent what I described in an earlier work as a "security renaissance" in the decade that followed its elevation to super-aged status from 2006-16 (*Japan's Security Renaissance*, Columbia University Press, 2017). During that period, six different prime ministers from opposing political parties relaxed bureaucratic and administrative obstacles to a coordinated defense strategy and built up Japan's military capabilities through new acquisitions as well as alliance deepening with the United States and creation of new regional security partnerships. Japan's first postwar national security strategy document was published in December 2013, announcing a more "proactive" approach to security for Japan and a more coordinated approach within government, as seen in the establishment of a new National Security Council and National Security Secretariat.

In Japan's latest national security strategy document (December

2022), even more robust approaches are announced, including the planned development of “counter-strike capabilities” to respond to increasing concerns about missile threats, especially from North Korea and China, and the near-doubling of defense spending to reach the NATO standard of 2% of GDP by 2028.

What Japan’s military planning in the past nearly two decades shows is that old assumptions about the effect of aging on security need to be revised due to new types of security threats (including gray-zone conflicts), new technologies, and actual experiences with rapid aging worldwide.

### Growing Gray-Zone Security Concerns

The emergence of “gray” security challenges in addition to a continuation of traditional military concerns is one explanation for Japan’s more robust military strategy. As Japan’s new National Security Strategy notes, “gray zone situations over territories, cross-border cyberattacks on critical civilian infrastructures, and information warfare through spread of disinformation are constantly taking place, thereby further blurring the boundary between contingency and peacetime.” The document continues: “Furthermore, the scope of national security has expanded to include those fields previously considered non-military such as economic, technological and others, and thus the boundary between military and non-military fields is no longer clear-cut either.”

Rising gray-zone challenges can be linked to existing rivalries or threats perceived from other states such as North Korea and China and also from non-state actors. In Japan’s National Institute for Defense Studies 2023 edition of the *China Security Report*, there is a focus on China’s aim to control the cognitive domain and gray-zone events. The report notes that it is not only Japan that is devoting increased attention and resources to address gray-zone situations but also the Philippines, South Korea, Taiwan, and Vietnam, among others. Intensifying and expanding security concerns – both gray and “traditional” – create urgency to adapt regional security cooperation and strategies for maintaining peace and stability, which is another goal of Japan’s new national security strategy, as discussed below.

These two graying challenges – aging populations and the rise of gray-zone conflicts – are connected through the increased labor and resources that addressing rising gray-zone conflicts require, exactly at a time when rapidly aging states like Japan are experiencing labor and resource shortages. Indeed, another challenge set out in the introduction to the 2022 National Security Strategy is Japan’s “declining and aging population”. On the one hand, gray-zone concerns include a wider range of actors than traditional militaries,

which could in principle reduce burdens on military forces alone. On the other hand, such an expansion in the range of security actors also poses challenges to coordinated responses from government departments and the private sector and ultimately involves *more* people not fewer.

Fortunately for Japan, it does not need to address these challenges alone. It can learn from its formal military ally, the US, as well from a growing number of other security partners – some of which face similar challenges of rapid aging and others of which boast still-growing and more youthful populations. Moreover, these states together can pool resources and capabilities to counter shared security threats collectively. Thus, while Japan’s own population is shrinking in number, the total number of people devoted to Japan’s defense is actually rising.

### Building Strength Through Expanded Security Partnerships

In thinking about Japan’s military security, it is important to consider that Japan is not aging and shrinking alone. Indeed, all of Japan’s neighbors – both security concerns and potential partners – are facing a similar future, though on different timelines. Other US allies in the region (South Korea and Thailand), other security partners to Japan and to the US (Taiwan), and, importantly, principal security concerns (China, North Korea, and Russia) all face a future of rapid aging and population shrinkage. The US also may need to adjust to less robust population growth than it expected just a decade ago due to the effects of the Covid-19 pandemic, reduced immigration, and a declining birthrate.

The Japan-US security alliance has deepened and broadened considerably since Japan became the world’s first super-aged society. On the surface, this also may appear a paradox, but can partly be explained by Japan’s perceived need to strengthen its military posture in the face of growing threats but being hindered by the challenges of going it alone – challenges exacerbated by a rapidly aging society. In recent decades, the Japan Self-Defense Forces (JSDF) have deepened integration into shared roles and missions with US forces to address shared Japan-US regional security concerns, creating greater efficiencies and a more robust posture for both states. Japan’s 2022 National Security Strategy and related documents set out numerous additional areas to deepen alliance coordination and capabilities in the coming years.

Meanwhile, a number of newer security partners for Japan will grow in population size and also remain more youthful in the coming decades. The demographic story of the Indo-Pacific is not defined entirely by rapid aging and shrinking. India’s population is expected

to grow by 256 million by 2050, Indonesia's by 42 million, and Asia's as a whole by 582 million (including Western Asia). Numerous "middle" and "rising" powers are projected to enjoy a potential "demographic dividend" from their young and growing workforces in the coming decades. Not coincidentally, these states are among those with which Japan has sought to deepen security ties. Demography alone does not drive Japan towards these relationships, but adds to other factors such as shared concerns about China, geographic location, and convergence over maritime interests.

Looking beyond the region, numerous "aging powers" in Europe have shown interest in bolstering their own security profiles through new partnerships with Japan, as demonstrated by the recently signed enhanced security relationship between Japan and the United Kingdom, as well as by a new joint fighter development plan among Japan, the UK, and Italy. Japan is also one of four partners of the North Atlantic Treaty Organization (NATO) in Asia. (The others are Australia, New Zealand, and South Korea.) Japan recently floated the idea of establishing in Tokyo NATO's first liaison office in Asia.

Despite these proactive and positive developments for better providing for Japan's security in an increasingly difficult environment, several sets of challenges lie ahead as Japan's aging intensifies and its population shrinkage accelerates. Moreover, one unknown factor in Japan's response is whether new technologies will emerge to fill gaps caused by Japan's demographic shifts before the situation becomes too severe.

### Challenges of Staffing Expanded Security Roles

Japanese Prime Minister Fumio Kishida warned in his 2023 opening speech to the Diet that Japan's low birthrate puts the country "on the brink of being unable to maintain social functions" – noting with alarm that the number of new births in 2022 dropped below 800,000 for the first time since modern record-keeping began. The trend of a substantial drop in the number of young people eligible to serve in the JSDF is not new, however. The number of 20-year-old men, those of prime interest for military service, peaked at just over one million in 1995 – nearly two decades ago. By 2023, the number had fallen below 600,000, a 40% drop in less than 20 years. In 2042, the number is projected to be 429,000. Note that these young men have already been born: they are not projections based on a future birthrate.

There may well be a time in the not-so-distant future when the number of military personnel becomes unimportant due to improvements in uncrewed systems, artificial intelligence, and other next-generation technologies. However, the current conflict in Ukraine with aging-power Russia and the increasing concern about

war between aging powers Taiwan and China both suggest that "boots on the ground" will continue to be a decisive factor in major power conflicts for at least another decade.

Japan's Ministry of Defense (MOD) has developed numerous policies to address the persistent shortfall in the number of planned forces. The JSDF raised the maximum age for new recruits from 26 to 32 in 2018, the first increase since 1990. The retirement age for senior officers started rising gradually in 2020. The 2022 National Defense Strategy sets out a plan to raise the retirement age even further to expand the pool of those able to serve. The MOD also has set a goal to increase the share of women in the JSDF to 9% by 2030. Women made up just 7% of JSDF members in 2018, compared with an average of 11% among NATO countries. The 2022 Defense Buildup Program document devotes five pages to additional measures to recruit and to retain JSDF members.

Given persistent JSDF shortfalls in recruiting and retention and the future demographic pinch ahead, despite new plans to roughly double defense spending over the next five years, there is no increase in the total number of military personnel planned. Instead, a wider range of civilians and technological offsets are envisioned while new efforts to maintain even the current force posture are put into place. Even with an ambitious list of new initiatives, this will be a challenge given Japan's rapidly aging and shrinking population.

Beyond the JSDF, potential shortages of skilled workers in the defense sector are also a concern as Japan seeks to enhance domestic production of military equipment. The 2022 National Defense Strategy devotes several pages to reinforcing Japan's defense production base but does not highlight labor shortages as a challenge in that area, a shortcoming that should be addressed. (The April/May 2023 issue of *Japan SPOTLIGHT* includes several articles that describe challenges in Japan's labor market with relevance to defense production.)

### Challenges of Funding Expanded Security Commitments

Beyond staffing Japan's military security needs – both in the military and civilian workforces – another primary challenge Japan will face in the coming decades is how to pay for these workers and/or for the new technologies that may enable fewer workers to achieve the same output. Japan has suffered declining productivity growth per worker in its first decades of rapid aging, but productivity is growing enough to achieve total GDP growth through at least 2050 – even with accelerated population shrinkage. Still, by contrast, China's total GDP is expected to grow three-fold in that same period. Moreover, Japan now runs the largest budget deficit of any

developed country by far (over 6% of GDP), with total debt projected at 258% of GDP for 2023, according to the International Monetary Fund (April 2023). Thus, serious economic and fiscal challenges lie ahead.

The difficulty of continuing the presently stated goal in Japan's National Security Strategy of a militarily stronger Japan will challenge political leaders in the coming years. In the short term, the Kishida government envisions reaching the 2% of GDP defense spend rate four years from now through substantial annual increases in defense spending. Whether there will be political support for reaching this level of spending is not certain – and even if there is, whether this level of spending can be maintained over time also is unclear.

Two recent books examining the security implications of Japan's aging population stress the changes in attitudes that are likely to come as the older generation that directly experienced war and its aftermath transitions to younger generations who have no such direct experience. In *Japan's Aging Peace* (Columbia University Press, 2021), Tom Phuong Le notes that generations of peace activists will pass away in the near future, with different security attitudes potentially forming among the new population. In *Peak Japan: The End of Great Ambitions* (Georgetown University Press, 2019), Brad Glosserman posits a future where Japan looks further inward, adjusting its regional security posture commensurately. Neither author, however, incorporates the changing demographics of other states in their analysis nor the changing regional security environment. The need to respond to rising threats perceived from other regional states (themselves aging powers) was readily apparent in the December 2022 revision of Japan's national security strategy, showing that both internal demographic change and relational change are important factors for security planning.

### New Technologies & Asia's Graying Security Future

As we imagine great-power military competition in East Asia and beyond in the coming decades, it seems increasingly certain that it will involve fewer soldiers in a traditional sense, more machines (including AI for decision-making), and a wider range of personnel to build and support those machines (in terms of military and nonmilitary personnel, gender, age, and nationality, even if the workers are fewer in number). This expected evolution is not driven primarily by demographics, but the region's rapidly aging and shrinking working-age populations will further incentivize, and in some cases require, a reduction in the number of traditional military personnel. In 2023, Japan's 65 or older population share is expected

to exceed 30% and is projected to rise to nearly 40% by 2050. In fellow US-ally South Korea, the rise is even more dramatic – from under 20% in 2023 to just over 40% in 2050 – and is more impactful since South Korea currently has a standing military force roughly twice the size of Japan's with less than half the population size. For security rival China, the share of the 65-plus population is also projected to more than double, from under 15% in 2023 to over 30% in 2050.

New technologies will play an important role in how Japan and other states manage the effects of demographic change on their security strategies. Robotics and other uncrewed systems, including AI, will likely provide offsets for shrinking populations. At the same time, however, such new technologies themselves will alter the nature of the regional security landscape. We already have seen how the emergence of new security domains in cyber and outer space have created new threats that require resources to address. With the expected transformation in the nature of warfare among major powers by mid-century, we cannot see new technologies solely as offsets for demographic change, but also as posing new challenges as well.

### Conclusion

The “dual graying” of Japan's security landscape already has led to major changes in Japan's military posture and planning, with additional major changes sure to come as both trends deepen. The modern world has never experienced such a demographic transition nor an expansion of security competition across so many security domains (air, ground, sea, cyberspace, outer space, gray-zone, etc.). The future of military technologies empowered by AI and uncrewed systems also introduces great uncertainty to East Asia's future security landscape, including regarding the utility of large numbers of military personnel. Japan's new security documents of December 2022 acknowledge this, but still many political, logistical, and technological challenges remain that will require creative approaches and a willingness to adapt at a level not yet seen in Japan's first two postwar national security strategies.

Further reading: Andrew L. Oros, “The Rising Security Challenge of East Asia's ‘Dual Graying’: Implications for U.S.-led Security Architecture in the Indo-Pacific,” *Asia Policy* (April 2023): 75-100.

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