

# Japan's outlook for G20

## Innovative ideas to address global challenges

As a forerunner facing various social challenges, including addressing the aging population, as well as environmental and energy issues, Japan is poised to find solutions and share them with other countries that are also expected to be confronted with these complex problems.

Through hosting the upcoming G20 summit in Osaka in June, the country will promote further cooperation among all relevant stakeholders, both government and non-governmental, toward a future society that realizes both economic growth and solutions for such issues.

The annual meeting of the World Economic Forum (WEF) in Davos, Switzerland, will be a timely occasion for world leaders to address these growing challenges as the conference aims to delve into the topics to "shape a new framework for global cooperation," preparing for the arrival of "Globalization 4.0" driven by the "Fourth Industrial Revolution."

Assuming the G20 presidency immediately after the Buenos Aires summit in December, Prime Minister Shinzo Abe stated Japan would seek to realize a "human-centered future society," promoting discussions in cross-cutting areas.

"Japan is determined to lead global economic growth by promoting free trade and innovation, achieving both economic growth and reduction of disparities, and contributing to the development agenda and other global issues with the SDGs (United Nations Sustainable Development Goals) at its core," Abe said.

"In addition, we will lead discussions on the supply of global commons for realizing global growth such as quality infrastructure and global health," he continued. "We will exert strong leadership in discussions aimed toward resolving global issues such as cli-

mate change and ocean plastic waste."

Japan also seeks to realize a society where all people, including women, the young, the elderly and people with disabilities, are able to actively participate. These undertakings are essential to bring about further growth and prosperity.

As the world economic outlook is increasingly uncertain, it's essential to get rid of obstacles that could hinder further growth. Keys to overcome those barriers are the four elements of free trade, innovation, empowerment and quality infrastructure.

These key issues highlighted by the prime minister will likely to dominate international discussions throughout 2019.

### Champion of free trade

As a nation that has enjoyed economic prosperity after World War II under a rules-based, free and open international economic system, Japan has not only been a major beneficiary, but also a consistent supporter of free trade over the years.

In his speech at the U.N. General Assembly in September, the prime minister said: "Should Japan, the country that reaped the greatest benefits of all under this system, ever fail to support maintaining and strengthening that system, who else should we wait for to rise in support of it? Japan's responsibility is tremendous indeed."

One recent example showing the country's commitment to promoting free trade is the Japan-EU Economic Partnership Agreement (EPA).

In July in Tokyo, Japanese and European Union leaders signed the EPA, which is expected to come into force on Feb. 1. The agreement will create a large, free and advanced economic zone with some 640 million people accounting for about 30 percent of the world gross domestic product



and 40 percent of world trade.

Another recent development is the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, also known as TPP11, that Japan and 10 other countries have strived to finalize to further promote liberalization and facilitation of trade.

The pact, entered into force on Dec. 30, represents around 13 percent of global GDP and covers about 500 million people.

Additionally, Japan has intensified its efforts toward the conclusion of the Regional Comprehensive Economic Partnership negotiations with 15 other countries, including the 10 Association of Southeast Asian Nations (ASEAN) members, China and India. If realized, the agreement would create an economic zone covering about half of the world's population and about 30 percent of global GDP and world trade.

"In order to expand free and fair economic rules befitting to the 21st century into the vast region extending from Asia and the Pacific to the Indian Ocean, the countries that have created the system and reaped the greatest benefits from that system — that is to say, countries like Japan — must lead the effort," the prime minister noted at the U.N. General Assembly.

### Advancing innovation

In addition to promoting free trade, accelerating innovation is a must to pull the global economy along.

In a bid to drive innovation, Japan seeks to create "Society 5.0," a concept addressed in the country's 2017 Growth Strategy released in June of the same year. It is a smart society where the innovations of "Industry 4.0" and accumulated big data, cutting-edge technologies such as artificial intelligence and robots — all being Japan's strengths — are incorporated. This vision would provide solutions with the power of innovation to various social challenges, and also present a model where anybody can live a healthy, long life through innovation.

Serving as co-chair of the WEF's Global Future Council on Human Enhancement and Longevity, Makoto Suematsu has spearheaded such efforts in the medical field. He



Japan looks to realize "Society 5.0," a super-smart society where innovations and technologies, making the most of artificial intelligence and robots, are incorporated to create solutions to various issues. GETTY IMAGES

is president of the Japan Agency for Medical Research and Development (AMED).

The WEF council explores how human enhancement could impact society and looks to design innovative governance models to ensure maximized benefits and keep risks under control.

At the council's November meeting in Dubai, Suematsu raised a number of issues that Japan has been facing, which are expected to be relevant to other countries soon.

Citing an estimated population transition, Suematsu said Japan would have a demographic structure in which two out of three people would be over 50 years old from around 2040. Some other nations are likely to follow Japan's path in their population structure.

"It's difficult to imagine only one out of three people being under 50," Suematsu said. "I asked the council members what a country should do in the event of such a situation. At the same time, we must consider how humans should adjust to a society like this."

In the coming years, Japan has an important role to showcase to the world "how to deal with the coming super-aging society," according to Suematsu. Japan could take the lead in realizing "healthy longevity," in researching and developing necessary medical devices and robotics to assist nursing care personnel, among other things, including global challenges on antimicrobial resistance.

Another important idea and effort Suematsu pointed out in relation to enhanced human health in the future is "data sharing" in the global medical community. AMED has seen results in some areas in this regard.

"It's actually difficult to share all necessary data among stakeholders from a development phase," Suematsu said, citing competition among researchers and companies as one of the reasons. "But data sharing would achieve results, albeit gradually."

For example, on dementia — where treatment is essential in terms of living a healthier, longer life — there is no unified system in place to collect basic data, manage and track it when necessary.

He shared a data sharing experience by AMED, launched in 2015 that saw it serve as a center to direct integrated research from basic research to practical application.

Seeking to end what's called the "diagnostic odyssey" of patients with undiagnosed conditions, AMED has produced results from its Initiative on Rare and Undiagnosed Diseases, with efforts in line with relevant laws enacted in 2015.

Thanks to data shared among medical institutions on such patients, he noted more than 1,000 people, including those who had suffered from undiagnosed conditions for several decades, have been diagnosed and 18 responsible genes were identified over the past two and a half years since the program started.

As one of the reasons behind the spread of data sharing in this particular field, Suematsu explained, "We started this program based on a policy of 'no share, no budget.'"

Suematsu also noted another significant data sharing example from the international cooperative effort on the Zika virus, which has apparently advanced relevant research and development.

"There are an increasing number of people who think development would actually proceed faster if it's promoted collectively at an initial stage before the competition phase, as resources are limited," Suematsu said.

### Empowerment

Initiatives led by AMED and other Japanese parties could contribute to empowering citizens, which could be a factor to drive growth.

"If retirement age is set at 60 or 65, (a future super-aging) society would not be able to

support seniors. So, we need to change how seniors work from now so that they can physically train themselves and continue to have social connections," Suematsu said.

What would be increasingly important in a future world with aging populations and a shrinking labor force is a society in which all people — regardless of age, gender or individual capabilities — are able to take part.

Japan's Revitalization Strategy announced in 2014 noted the necessity of maximizing the power of women to revitalize society and bring various values.

The number of women who joined the workforce increased by about 2 million from 2012 to 2017, according to a Labour Force Survey by the Ministry of Internal Affairs and Communications.

The Japanese government is keen to collaborate with wide-ranging stakeholders, both domestic and international, to fulfill the goal of women's empowerment. One instance is the launch of World Assembly for Women (also known as WAW!), held continuously since 2014.

Tsukiko Tsukahara, president of consulting firm Kaleidist K.K., pointed out the importance of seeing the empowerment of women in the economic context, citing an example of Japan's economic policy that incorporated the idea.

"It's not always the case that women's empowerment is promoted in the context of economic growth strategies in other countries," said Tsukahara, whose company provides consultancy services on diversity management and inclusive leadership. "But these efforts need to be accelerated further."

She noted that there are an increasing number of Japanese companies placing more emphasis on diversity, but Tsukahara pointed out that is not enough to boost their business performance.

"The idea of inclusion is also essential. These two elements together will produce innovation and lead to improvement of productivity," Tsukahara emphasized. "I'd also like those parties promoting women's empowerment to incorporate the effort into their business strategies and produce results, not just doing it solely for the sake of women."

Ahead of the G20 conference, this year's WAW! will be concurrently held with the

**Continued on page B7 →**



Japan Agency for Medical Research and Development President Makoto Suematsu believes Japan can present solutions at the forefront of various issues such as a graying society. SATOKO KAWASAKI



Cyberdyne Inc.'s HAL Lumbar Type for Care Support is designed to mitigate risks of back pain. PROFESSOR SANKAI, UNIVERSITY OF TSUKUBA/CYBERDYNE INC.



Medical innovation could contribute to the enhancement of human life. GETTY IMAGES



Japan seeks to export its shinkansen technology, which is known for its safety and stability. GETTY IMAGES