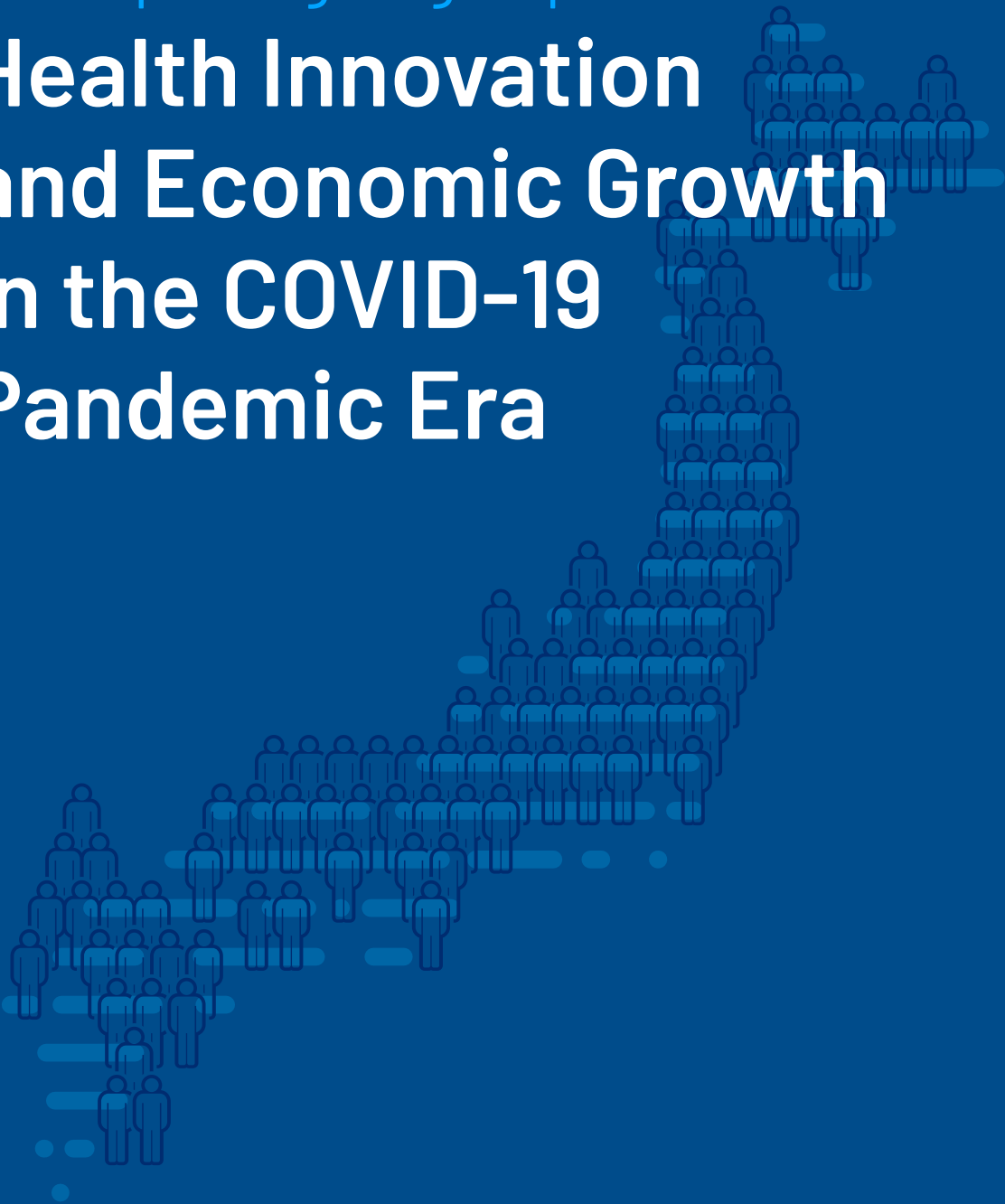




Policy Priorities  
for Super-Ageing Japan:  
**Health Innovation  
and Economic Growth  
in the COVID-19  
Pandemic Era**



# Roundtable Overview

This virtual roundtable, held on October 21, 2020, was the first in a series of discussions led by the Global Coalition on Aging (GCOA) and Organization for Economic Development and Cooperation (OECD), sponsored by Pfizer Japan Inc. with support from Japan's Health and Global Policy Institute (HGPI), focused on healthy ageing, innovation, and the silver economy. The goal of this roundtable was to explore policy challenges and opportunities related to ageing, health innovation, and economic growth, an urgent topic in light of the COVID-19 pandemic. It should be noted that COVID-19 has presented an opportune moment for a pivot in the global approach to these topics. Potential policy solutions could help shift global trends as we emerge from the current COVID-19 era.

The discussion was introduced by Michael W. Hodin, CEO of the GCOA, Hideki Makihara, Member of the Japanese Diet, and Yumiko Murakami, Head of the OECD Tokyo Centre. Innovation's role in relation to health and the economy was discussed by John Beard, former Director of Ageing and Life Course at the WHO, and David Gallagher, Regional President of Internal Medicine for Pfizer. Motoshige Itoh, Professor Emeritus of Tokyo University, and Francesca Colombo, Head of OECD's Health Division, then commented on health policy enablers of innovation. These comments were followed by an open discussion which recognized that Japan's super-ageing status makes it imperative to approach spending on health as an investment, and to nurture its innovative healthcare sector.

## Summary of Key Takeaways

- 1.** Japan needs innovation to ensure healthy longevity.
- 2.** To foster innovation, Japan must recognize spending on health innovation as an investment in healthy and active ageing.
- 3.** Cross-sector, cross-discipline, cross-geographical cooperation is essential for achieving health innovation.
- 4.** In Japan, investment in health innovation will require incentivizing those poised to lead the innovation.
- 5.** Global and Japanese-focused forums have set the stage for action to achieve new models for health innovation to fuel the silver economy.

# Discussion Summary

In Japan and other ageing societies, a focus upon the relationship between healthcare innovation and the silver economy represents a profound shift. As societies continue to age, the silver economy is becoming a precondition for economic growth. In Japan, almost 30% of the population is already over 65 years old. While in 1960 the ratio of working-age population (15–64) to older people (65+) was approximately 12:1; it is now closer to 2:1. These demographic trends also mirror increased healthcare costs. Total national healthcare expenditure as a proportion of GDP has grown from 6.3% in 1995 to 10.9% in 2015. Though the ageing shift and resulting implications for healthcare may be more stark in Japan than elsewhere currently, these trends are expected to impact all societies in the future.

Japan's position on the forefront of this global trend necessitates an audit of the healthcare ecosystem to ensure ongoing innovation. Without an environment conducive to innovation, firms have no incentive to pursue new solutions, and the economy more broadly will miss out on the benefits of healthy ageing, while incurring higher healthcare costs.

COVID-19 has spurred health innovation in some ways, for example accelerated vaccine development and increased use of telehealth and telemedicine. The coupling of technological innovations and healthcare can help lower certain healthcare demands and is likely

to remain popular post-pandemic. As a next step in innovation, there may also be a transformational shift wherein the healthcare community seeks to use big data in the pursuit of early detection and prevention, which could also reduce potential future demands on the healthcare system. Looking past COVID-19, increased need for elder care caused by demographic shifts will likely spur additional healthcare innovations. It is predicted that within the coming decades many developed nations will face shortfalls in this sector, engendering an increasingly important 'care economy.'

As longevity increases and functional ability becomes ever more important, innovations in the healthcare sector that ensure functional ability can also fuel economic growth by enabling the creation of a silver economy. For example, according to the National Cancer Center in Japan, increased cancer survivability has allowed an estimated 80.9% of those newly diagnosed to return to work within a year. Investments in research and innovation are investments in healthy and active ageing. The benefits to health and economic goals are at least as critical.

# Key Takeaways

The roundtable participants identified these key points that bring focus to the imperative of health innovation:

**1. Japan needs innovation to ensure healthy longevity.** Ageing may challenge the sustainability of healthcare systems and entire economies if actions to achieve healthy ageing are not taken. Twentieth-century models are insufficient; healthcare, social care and economic frameworks must be reimagined and reshaped. From pharmaceutical innovation to innovation in digital technologies toward enabling independence and ageing in place, innovation is the only way to meet the challenges associated with super-ageing.

**2. To foster innovation, Japan must recognize spending on health innovation as an investment in healthy and active ageing.** It is crucial that the Japanese healthcare system transform itself to be more resilient and attend to the demands posed by super-ageing. Innovations such as vaccines are essential for prevention, overall public health, and lifelong engagement in society. Keeping Japanese citizens healthier leads to keeping all Japanese citizens more active and able to keep working and contributing to society, which enables economic stability.

**3. Cross-sector, cross-discipline, cross-geographical cooperation is essential for achieving health innovation.** Public-private partnerships and collaboration will enable pathways for health innovation that can feed Japan's silver economy, and through that, its overall economic growth goals. Empowering older adults and aligning with ageing organizations will help unite industry, patient advocates, scientists and health professionals, bringing greater urgency for action.

The mega-trend of aging in Japan is as central to the success of the nation as climate change; and must be approached accordingly.

**4. In Japan, investment in health innovation will require incentivizing those poised to lead the innovation.** Businesses are more likely to thrive, bringing new solutions for new challenges, in an environment that nurtures and rewards innovation. This will require increased government funding and overall leadership and prioritization to spur more scientific innovation.

**5. Global and Japanese-focused forums have set the stage for action to achieve new models for health innovation to fuel the silver economy.** Japan has demonstrated international leadership in fora such as the OECD, the WHO, and the G20 on aging policy. Furthermore, Japan's Well-Ageing Society Summits showcase excellent models for collaboration and partnership. The progress that Japan has made in improving the health of those living with Alzheimer's and other dementias, preventing cardiovascular diseases by discouraging smoking and encouraging better lifestyle choices, and work on enhancing adult vaccination rates should be commended. The results of this work should be shared widely. NCDs are a particular challenge of any ageing society, especially Japan's super-ageing status, which renders critical the support for health innovation, particularly in biotherapeutics.

# Conclusion

We are at a unique moment that highlights the urgency for reform toward innovation. Reimagining and reframing spending on healthy ageing as an investment in super-ageing Japan could help to solve economic and fiscal sustainability issues while also producing direct effects on public health. With these takeaways from our roundtable on “Health Innovation and Economic Growth in the COVID-19 Pandemic Era,” we aim to promote and facilitate collaborations that can pursue proactive approaches to healthy and active ageing. Super-ageing Japan must rise to the challenge of leadership—on matters of individual health and quality of life, economic growth, and a more sustainable future—if the world is going to meet the needs of super-ageing societies.

*The perspectives described in this report reflect the sentiments uncovered during the roundtable and should not be interpreted as the position of any individual participant.*

# Roundtable Participants

## Emily Allen,

Director of Thought Leadership and Advocacy, Home Instead Senior Care

## John Beard,

ARC Centre of Excellence in Population Ageing Research, University of New South Wales; Adjunct Professor, Peking University, Beijing; Former Director Department of Ageing and Life Course, WHO

## Francesca Colombo,

Head, Health Division, Organisation for Economic Co-operation and Development (OECD)

## David Gallagher,

Regional President, International Developed Markets, Pfizer

## Akihisa Harada,

President, Pfizer Japan

## Yuko Harayama,

Executive Director, RIKEN; Professor Emeritus of Tohoku University

## Mike Hodin,

CEO, Global Coalition on Aging

## Toshinori Kawaguchi,

Counselor for Policy Planning, Healthcare Industries Division, Ministry of Economy, Trade and Industry of Japan (METI)

## Motoshige Itoh,

Professor Emeritus, University of Tokyo

## Hideki Makihara,

Member, Diet; Former State Minister of MHLW and METI

## Yumiko Murakami,

Head of OECD Tokyo Centre

## Andrew Scott,

Professor of Economics and former Deputy Dean at London Business School and a Research Fellow at the Centre for Economic Policy Research

## David Sinclair,

Director, International Longevity Centre, UK

## Mikiro Suga,

Head of Health and Welfare, Japan External Trade Organization (JETRO) New York

## Kenneth Weinstein,

President, CEO, and Walter P. Stern Chair, Hudson Institute



The Global Coalition on Aging aims to reshape how global leaders approach and prepare for the 21st century's profound shift in population aging. GCOA uniquely brings together global corporations across industry sectors with common strategic interests in aging populations, a comprehensive and systemic understanding of aging, and an optimistic view of its impact. Through research, public policy analysis, advocacy, and strategic communications, GCOA is advancing innovative solutions and working to ensure global aging is a path to health, productivity and economic growth.

**For more information, visit**

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Health and Global Policy Institute (HGPI) is a Tokyo-based, independent, non-profit, and non-partisan health policy think tank established in 2004. Since its establishment, HGPI has been working to realize citizen-centric health policies by gathering together diverse stakeholders and developing policy recommendations. HGPI is committed to serving as a truly independent organization that can provide society with new ideas from a broad, long-term perspective in order to foster fair and healthy communities. HGPI looks forward to continuing to partner with people from all around the world as we continue our work for the development of effective health policy solutions for Japanese and global issues.

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