

# Rural Development Policy and Multifunctionality in Japan

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1. Introduction
  2. Basic information on Japan
  3. Farm structural change in Japan
  4. 'Rural area' of Japan
  5. Rural development policy in Japan
  6. Prospect in the future

# 1. Introduction

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- Since 1990s target of agricultural policy has been moving from 'sector' to 'territory' both in EU and Japan.
- Comparative analysis project of rural development policies between Japan and the EU in 2004, collaborated with LEI Wageningen UR (Research Institute of Agricultural Economics, the Netherlands)
- member:  
~~Jaap Post, Ida Terluin, Floor Brouwer,~~  
Tomoko Ichida

# Objectives of this presentation:

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1. Objectives of rural development policy:

Japan in comparison with EU

2. Implementation of rural development

Policy: Japan in comparison with EU

=> Lessons for densely populated industrial countries as Japan and some EU countries as Germany and the Netherlands

## 2. Basic information on Japan

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- Total land area

**377,873 square kilometres**, nearly equivalent to Germany+Switzerland

**3/4** is covered with forestry,  
only **12%** is cultivated land

- Population (Oct. 1, 2014 )

**127 million**

- Ratio of elderly people over 65

**26 %**

# Map



20. Japanese-German Symposium in  
Potsdam, May 8, 2015

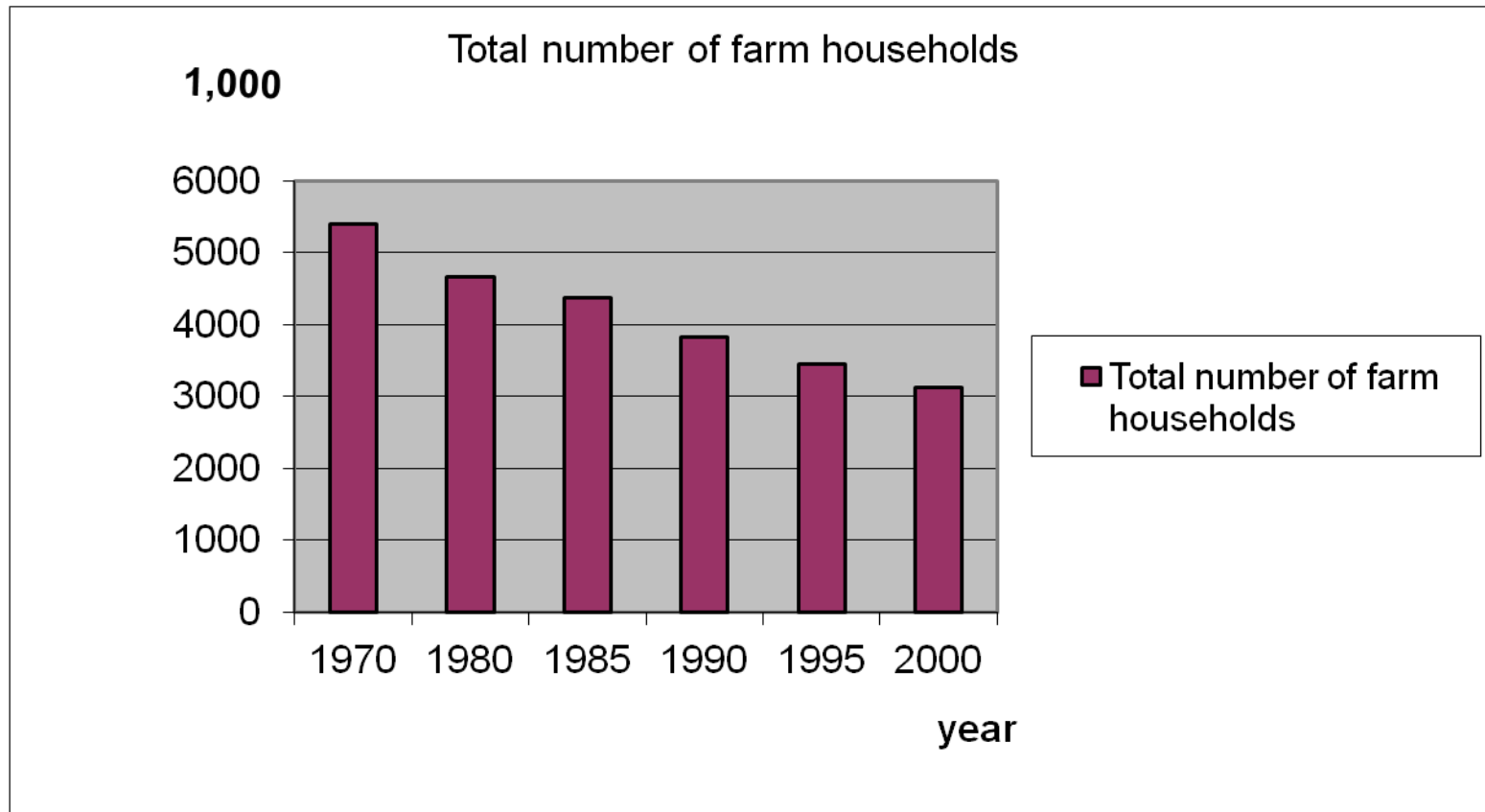
# 3. Structural change in agricultural sector

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- Decrease of farm households
- Trend of farm scale
- Farmers become more aging
- Relatively many part-time farm households

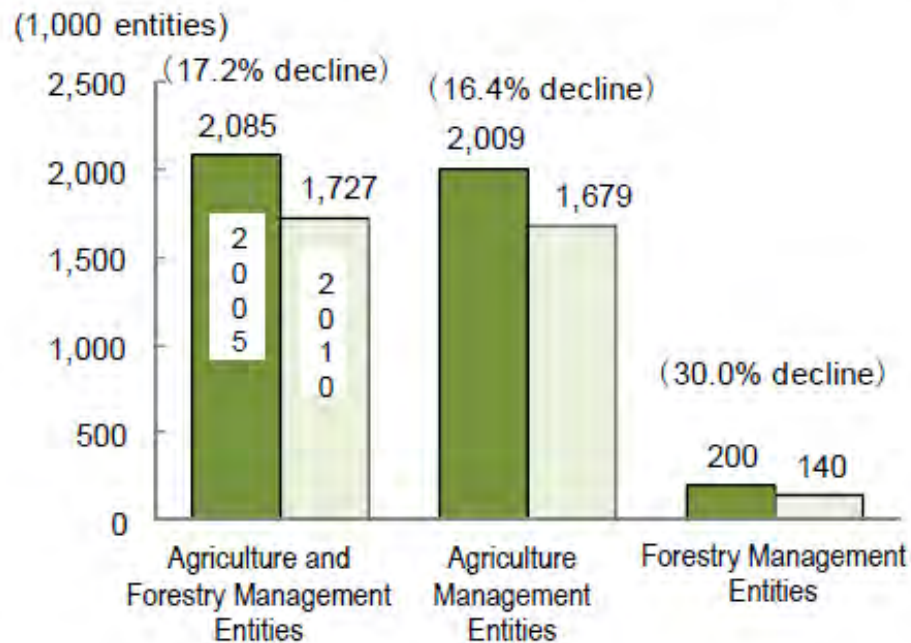
# Decrease of farm households since 1970

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# Decrease from 2005 to 2010 (world census of agriculture)

Graph 1: Number of Agriculture and Forestry Management Entities(nationwide)



Note: Entities that manage both agriculture and forestry were included in both of the above two categories (agriculture management entities and forestry management entities).

Still small scale on average, but larger class farms are gradually increasing.

**Table 11: Number of Organized Management Entities by Area of Cultivated Land under Management (nationwide)**

Classification		Total	Unit management entities					More than 30ha
			Less than 1ha	1~3	3~5	5~10	10~30	
Results	2005	28,097	18,983	2,137	1,027	1,616	2,571	1,763
	2010	31,008	15,521	2,758	1,395	2,392	4,900	4,042
Change (%)	2010/2005	10.4	-18.2	29.1	35.8	48.0	90.6	129.3
Composition (%)	2005	100.0	67.6	7.6	3.7	5.8	9.2	6.3
	2010	100.0	50.1	8.9	4.5	7.7	15.8	13.0

Source: 2010 World Census of Agriculture, MAFF

# Farmers are decreasing and become more and more aging.

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People engaged in agriculture over 65 years old

1985: total:28.7% male: 35.8%

1995: 46.3 53.5

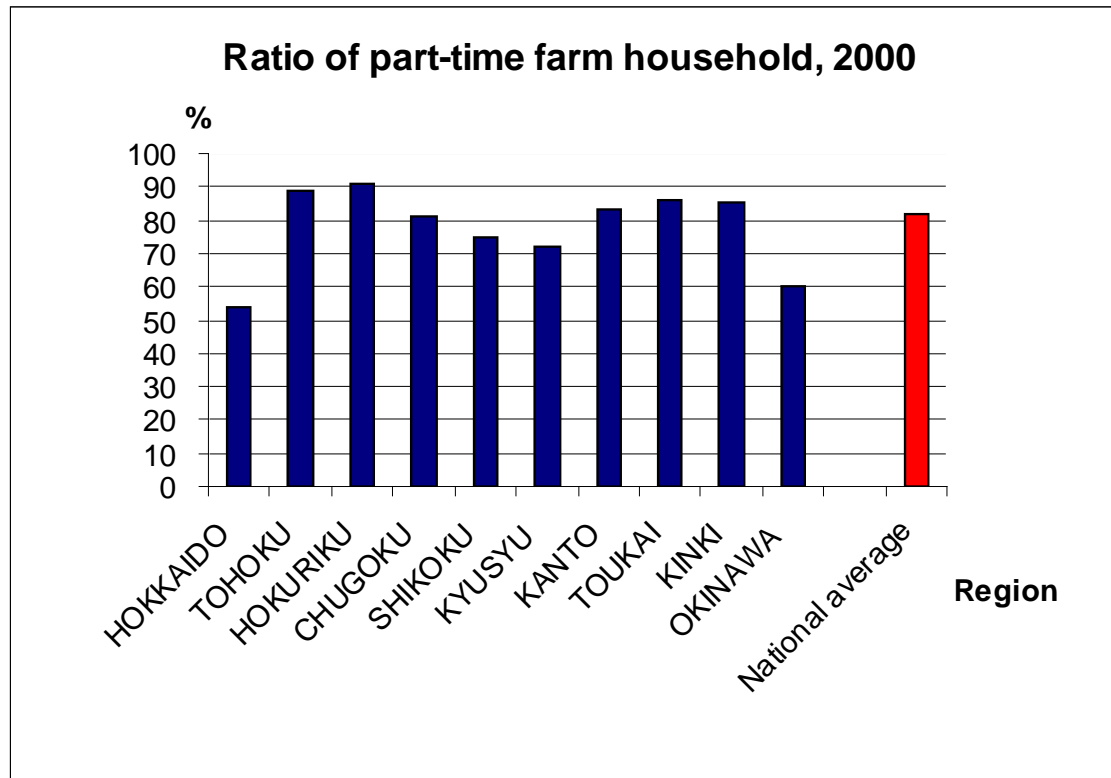
2000: 52.9 57.4

2005: 58.2 (3.35 million) 60.7

2010年: 60.1 (2.25million) 60.7

60% of the total number of commercial farms(1.6million) are producing mainly rice.

# Many part-time farm households part-time farm=farm with income from other jobs



Recent trend  
(national average,  
only commercial  
farm)

2005: 77.4%  
2010: 72.3%

## 4. 'rural area' of Japan

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### 1. Spatial classification

by variety of land use, socio-economic variables as population density

### 2. Definition by 'social constructivist': image of 'rural', 'countryside'...

# OECD regional typology (2013)

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1. Population density on the local community level is low:

EU: 150 persons per km<sup>2</sup> and less

Japan: 500 persons per km<sup>2</sup> and less

= > rural community

2. Population share in local rural areas:

<15% => predominantly urban

50% => predominantly rural

15-50% => intermediate rural

# OECD regional typology (2013) continued

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## 3. Size of the urban centers:

- rural region including urban center  
more than 200 thousands inhabitants (500  
thousands for Japan) representing no less than  
25% of the regional population  
=> **intermediate**
- Intermediate region including urban center  
more than 500 thousands inhabitants (1,000  
thousands for Japan) representing no less than  
25% of the regional population  
=> **urban**

# Regional Typology, Japan(2013)

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- Predominantly Rural: Tohoku(except for Miyagi), Miyazaki, Kochi
- Intermediate:  
Hokkaido, Northern Kanto, Niigata
- Predominantly Urban: Southern Kanto(Tokyo, Kanagawa, Saitama, Chiba), Aichi, Kinki(Osaka, Kyoto, Nara, Hyogo)

# Percentage of national population living in 3 regional categories: Japan and other countriesa(2013)

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□ Japan	rural: 13,	intermediate: 22,	urban: 12
□ Germany	31,	30,	35
□ Netherlands	0,	5,	7
□ United States	132,	21,	26
□ Korea	5,	3,	8

= > Japan is one of the most densely populated countries, and it has relatively a lot of 'intermediate' areas, where farmers and non-farmers are not so remotely living.

# 5. Rural development policy in Japan

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2 main strands:

1. Aims at the agricultural sector, led by the Ministry of Agriculture
2. Aims to minimize the regional disparity, led by the Ministry of Infrastructure and Ministry of Transport (Comprehensive National Development Plan)

# 1<sup>st</sup> strand by MAFF

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1. Rural development projects since 1960s
2. Farm structural policy since 1960s
3. Direct payment for hilly and mountainous areas (HMA) since 2000

Table 1 Change in agricultural policy and rural development projects in the second half of the 20th century

year	1945-1959	1960-1990	1992	1999
agricultural policy	1)1948-50:land reform, 1948:start of agricultural cooperative and extension service, 1949:the land improvement law	1961:the agricultural basic law;1970: integrated overall agricultural policy(especially set-aside of rice)	2)new policies	the basic law on food, agriculture and rural areas
objectives of rural development projects	increase food production	enhance productivity and improve living conditions to minimize the disparity between rural and urban areas	promote structural reforms and improve living conditions for the new-comers to the rural areas	stable food supply(enhance the ratio of self-sufficiency), sustainable agriculture, development of rural areas, fulfilment of multifunctional roles

Notes: 1) Land reform, agricultural cooperative and extension service were all promoted by the General Head Quarters of the Allied Armies(GHQ) to democratize the former rural society consisted by landowners and peasants.

2) The document 'New policies' gives the prospects of the agricultural structure by age, income and type of households in the coming 10 years.

Source: Adapted from MAFF, "Agricultural and rural development in Japan", 2001, p. 11.

# 5-1 Rural development projects since 1960s

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- (1) Development of agricultural production infrastructure:  
water supply facilities as dams, irrigation, farmland consolidation
- (2) Development of rural areas:  
sewage, roads, community hall
- (3) Conservation and maintenance of rural areas: protection against natural disaster as typhoon

# Change over time in budget allocation by purposes of rural development projects



⇒ **Total: 879 billion yen ( 3,390 million euro)**

⇒ **28% of total budget for agriculture in 2002**

## 5-2 Farm structural policy since 1960s: objectives and results

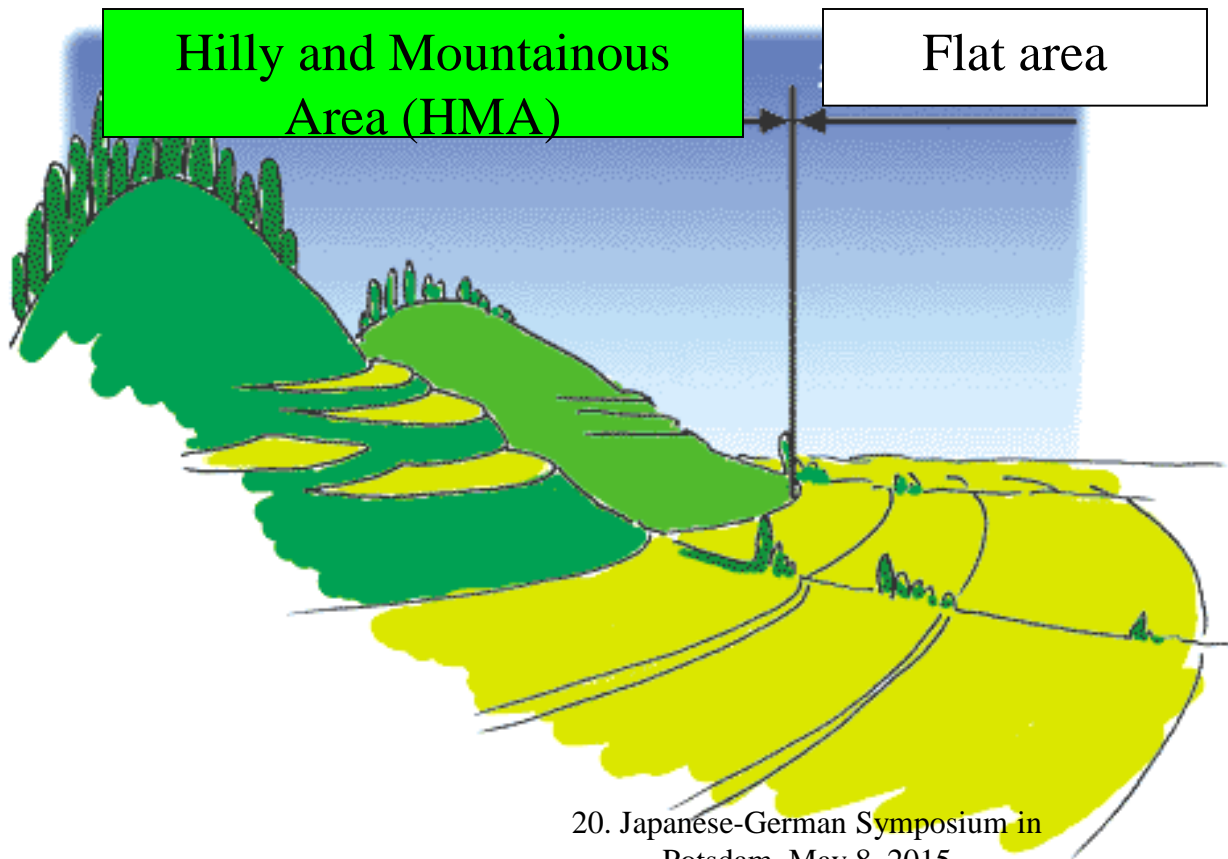
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- farmers can earn similar incomes like industrial workers from farming
  - = > 😞 young people went to the cities
- farm size enlargement and productivity growth
  - = > 😞 many farmers engaged in part-time jobs and selling their own land for non-agricultural use
- ~~== > 😞 😞 a lot of small farms remained !!~~

# 5-3 Direct payment for hilly and mountainous areas (HMA) since 2000

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## □ What is HMA?



DID (Densely Inhabited District):



# What is HMA?

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- Range=municipality:  
1,757 municipalities: 54% in 1990
- Arable land: 38% in 2010
- Number of farms: 44% in 2010
- Value of production: 38% in 2006
- Average farm scale(2010):  
HMA: 1.25ha  
non-HMA: 1.78ha

# Direct payment for hilly and mountainous areas (HMA)

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## □ Objectives:

- promote land utilization

- stop land abandonment

= > make 'multifunctionality' explicit

## □ Procedure:

hamlet-based contract by farmers+1ha  
block farm land with special conditions:  
gradient, natural handicap

= > **direct payment to farmers**

# Terrace paddy-field



Karatsu-shi, Kyusyu  
region, consolidated



Otoyo-cho, Shikoku  
region, not consolidated

# Terrace paddy-field (continued)



Irigo-Ishibatake, Motegi-cho,  
Northern Kanto region,  
partly consolidated



Takehara, Motegi-cho

# Effects of direct payment for HMA

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- budget : about 50 billion yen annually,  
1/2: nation, 4/1: prefecture,  
4/1: municipality  
in 2012 58.4 billion yen
- committed municipalities: 993
- contracts: 27,849
- targeted land areas: 682 thousands ha
- estimated to have prevented 76 thousands ha from land abandonment (2<sup>nd</sup> phase, 2005-2009)

## 6. Prospect in the near future

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1. How to organize the remained 'manpower' in rural communities : elderly, women, a few young farmers, newcomer and so on

= > MAFF has been promoting hamlet-based farmers' groups (Shuraku-Eino), and also diversification on farm, such as food-processing, tourism, direct selling and restaurants.

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2. Rural area is not only for producers, rural residents, but for consumers, urban people.

= > In some terrace paddy-field urban people participates in 'Tanada fund' by paying fee, then they can always plant or harvest rice.



## Minamiboso-shi, Chiba Prefecture

20. Japanese-German Symposium in  
Potsdam, May 8, 2015

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Thank you  
for your kind attention!

Vielen Dank  
für Ihre Aufmerksamkeit!

