

## Policy Perspectives on Agricultural Internationalization

Motoshige Itoh

President, National Institute for Research Advancement (NIRA)



Other Papers  
in the Japanese Edition

“A Mature High-income Society  
and the Future of Agriculture”  
by Shin-ichi Shogenji,  
Professor, Univ. of Tokyo

“Deregulation in  
Food and Agriculture in Japan”  
by Nobuhiro Suzuki,  
Professor, Univ. of Tokyo

“An Agricultural Revitalization Plan  
Originating in Japan’s Cultural Climate”  
by Shin-ichi Ohsawa  
Senior Research Fellow, Japan  
Research Institute, Ltd.

### Food Policy Issues Against A Background of Internationalization

A continuing decline in food self-sufficiency, aging of the agricultural workforce, unfavorable business conditions for agricultural producers, and an increasing amount of abandoned farmland – These are the conditions presently faced by Japan’s agricultural industry. Questions must be asked of an agricultural policy that was incapable of taking effective action before this situation was reached. Japan’s agriculture and food industries have no future if there is no change in the present policy orientation.

Agricultural issues would probably not have attracted attention in Japan to the degree that they have if the nation had not been involved in negotiations in the international arena, such as WTO negotiations and negotiations for the conclusion of free trade agreements (FTAs). The promotion of liberalization through such negotiations has attracted a significant amount of opposition within the agricultural sector itself, but the concern with these issues should not rest there; liberalization negotiations must be used as opportunities to think through the issues of Japan’s agricultural and food policies from the perspective of all the nation’s citizens.

The future of Japan’s agricultural industry and of the nation’s food supply cannot be considered without bringing in the perspective of internationalization. Limits on the amount of available land mean that Japan must depend on food imports from foreign countries. The viability of continuing a policy of import restrictions in the global trade framework centering on the WTO is limited. In addition, many examples show that industries which are protected by import restrictions decline in competitiveness.

## From “Protecting Weak Farmers” to “Fostering Strong Agricultural Producers”

Japan’s agricultural policy focus is being transferred from protecting weak farmers to fostering strong agricultural producers. A number of policies are to be implemented to this end, including promotion of farmland mobilization and larger-scale agricultural enterprises, the introduction of new types of farm management including management by private companies, establishment of a high value-added food distribution system that prioritizes food safety, and expansion of agricultural exports to other Asian countries.

The critical obstacle is that the pace of these changes is excessively slow. If Japan maintains its present pace, the situation as regards its agricultural industry and food supply will become increasingly severe. The global scene surrounding Japan is changing rapidly. World food prices are continuing to increase with the rise of developing countries, in particular China, and there is no guarantee that Japan will be able to freely import food from overseas while continue to apply its current protectionist policies. In FTA negotiations with Australia, Japan is being circumspect with regard to the area of agriculture, while China, being particularly interested in imports of natural resources and food from Australia, is proceeding aggressively with negotiations.

Japan now has to decide whether to continue its protectionist stance or to actively proceed with the strengthening of its agricultural industry and food supply with liberalization as a precondition. A response that does not go far enough will have irreversible consequences.

## Policy Responses from Multidisciplinary Perspectives

A number of proposals have been made with regard to the appropriate direction for Japan’s food and agricultural policies. One of the purposes of this edition of the *NIRA Policy Review* is to encourage readers to consider the issues from a range of perspectives by bringing together some of these different ways of thinking.

A consideration of agricultural and food issues raises various questions that go beyond the discussion of agriculture as an industry in the narrow sense; questions of food security, environmental protection, the safety of foodstuffs and the sustainability of local communities. Each of these issues is vitally important. It is precisely because of their importance that an effective response requires more than a short-sighted conclusion to the effect that agriculture should be subject to protection. Security, the environment, safety and the future of local communities are too important to be reliant on how agriculture is handed. A more direct and straightforward approach is essential.

### **Motoshige Itoh**

President, National Institute for Research Advancement, NIRA

A Professor of Faculty of Economics, at the University of Tokyo. He holds various government committee positions including a chair person of Asia Gateway Strategic Council (Cabinet Office), and others at Ministry of International Trade and Industry, Ministry of Finance, and Fair Trade Commission. He received his Ph.D in Economics from University of Rochester and B.Ec. from the University of Tokyo.

**NIRA** 総合研究開発機構  
National Institute for Research Advancement

Published by Center for Policy Research Information,  
NIRA  
YGP Tower 34F, 4-20-3, Ebisu, Shibuya-ku,  
Tokyo, 150-6034, Japan  
Tel: 03-5448-1740 Fax: 03-5448-1746  
<http://www.nira.go.jp>