
THE MAIN DIRECTIONS OF JAPANESE POLICY TO ENSURE NATIONAL FOOD SECURITY

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Purpose: the article is devoted to identifying the features of Japanese food security. *Discussion:* the experience of Japan shows that the role of external economic factors in ensuring national food security has increased in consequence of the accession to the WTO. Paradoxically, but Japan participates actively in free trade zones and enters into so-called new type of agreements, such as comprehensive agreements. Nevertheless, the country dictates its own conditions related to the protection of agriculture and national food producers, which are not consistent with the principles of the WTO: applies high subsidies, price regulation of strategic food categories, and restricts imports. *Results:* the study concluded that Japanese practice in ensuring national food security is relevant for the Russian Federation. The author highlights a new level of food security research – transregional. Furthermore, the guidelines for further study of the issue are indicated.

Keywords: food security, Japan, import, export, WTO, agriculture, import substitution, food self-sufficiency, external economic factors, FDI, malnutrition.

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Introduction: from the last century to the nowadays

Japanese food problem is a historical issue, exacerbated in consequence of the Asian colonies' loss after the Second World War, which entirely provided the country with food.

The agrarian reform of 1946 fostered the rise of agriculture. Its main target was to meet domestic demand and provide independence from the global food market. The country pursued the policy of strict agricultural protectionism, which permitted access exclusively to products that were not traditional for the Japanese diet, and the production of which was limited by natural and climatic conditions. Simultaneously, the government supported national producers through the mechanism of fixed purchasing prices for traditional food. For example, for rice. It guaranteed sales and compensation of production costs. Because the governmental purchasing price fully covered the costs of production.

However, the internationalization of economic relations has weakened governmental agrarian policy and launched market mechanisms. In 1 January 1995 Japan became a member of the World Trade Organisation (WTO) and opened its market to imports, even in strategic commodity groups. According to the Uruguay Round Agreements Act (URAA), the state has ceased to control purchasing prices, distribute and manage agricultural products. In other words, food security has begun to be ensured by the complex of external economic factors and national potential. Although, the "Basic law on food, agriculture and rural areas" aims to increase national production in order to increase food self-sufficiency and exports. And also, to correct tariff rates and limit imports when it endangers the domestic production. [1] Inter alia, it applies to the vulnerable goods: rice, wheat, beef, pork, dairy products and sugar. In fact, Japan pursues import substitution in the agricultural sector – protects the domestic market and increases national production. By 2030, Japan forecasts the self-sufficiency ratio (SSR) equal to 45% (on a calorie supply basis) and 75% (on a production value basis). For comparison, in 2018 these indicators were 37% and 66%, respectively. [2] Such an ambitious target requires the analysis of the Japanese policy main directions on the way of its achievement.

Problems and solutions

Japanese national potential is limited. Firstly, by the population (more than 126 million people at 2020 year-end. Secondly, by the underemployment in agriculture (2,3 million in 2019 in comparison with 5,8 million in 1980). Thirdly, by reduction of arable land (12% in 2019 in comparison with 19,4% in 1961). Finally, by 42 % fall in the SSR on a calorie supply basis during the 59 years by 2020 [3].

Furthermore, foreign trade liberalization has led to the diversification or the so-called westernization of the Japanese diet. Historically, the diet consisted of rice, fish, soybeans and seasonal fruit and vegetables. But now caloric intake and proteins and fats consumption are changing progressively, as shown in the figure 1. Japanese people increased the consumption of meat, eggs, fishery and oil products. But they reduced intake of rice and rice products, cereals, dairy products, seasonings and spices. In fact, due to imports, there is an improvement in the balance of nutrition and diversity among and between product groups. It has a positive effect on the problem of malnutrition.

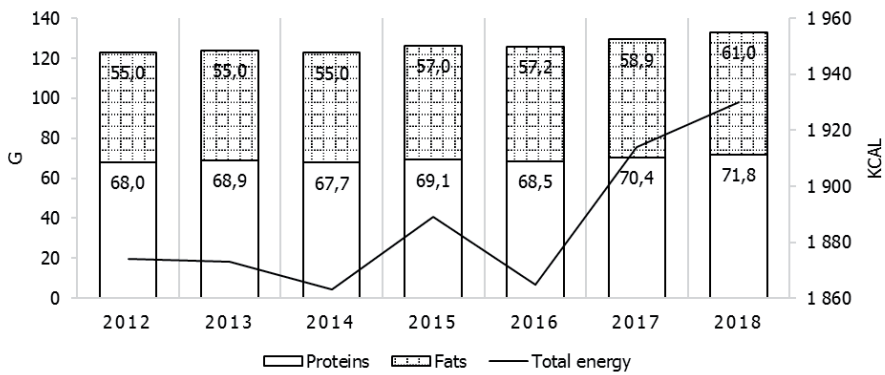


Fig. 1. Japanese daily food consumption per person
 Source: compiled by the author according to the data [4]

At the same time, national production does not cover the needs for wheat, meat, dairy products and eggs, fats and oils. As a result, the country is experiencing low self-sufficiency of food consumed. These needs are actually replaced by imports. Detailed import and production dynamics are presented in the figure 2.

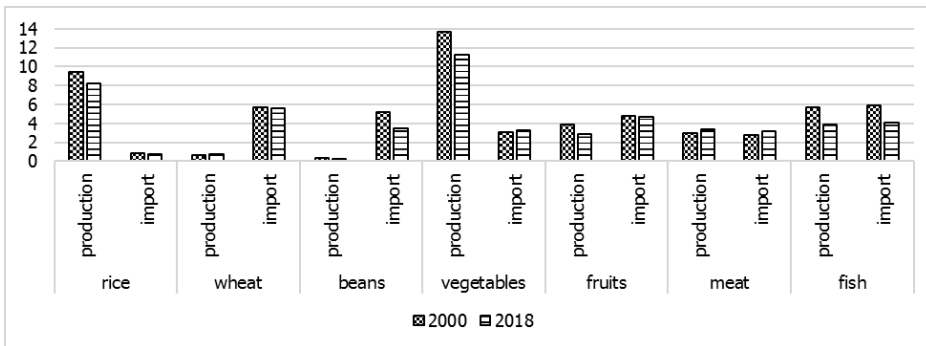


Fig. 2. Japanese import and national production dynamics, million tons
 Source: compiled by the author according to the data [5]

However, Japan targets agricultural and food export. The country plans to supply 18,5 billion dollars' worth of products to the world market by 2025, and \$ 46,1 billion – by 2030 [6]. Whereas, to date, expectations of food export growth as a favourable consequence of the WTO accession have failed to materialize. For one thing, Japanese export is limited by the available surplus after meeting domestic demand. On the other side, prices for Japanese agricultural and food products are significantly higher than world prices, which makes it uncompetitive and less affordable. For example, the average wholesale price of Japanese rice is five times higher than Thai one [6]. Consequently, the trade balance of agricultural products and food in 2019 was negative and amounted to 59 billion

dollars [7]. Traditional export positions are wagyu, green tea (sencha, matcha), scallops, fish (yellowtail and sea bream), dressings (curry, miso, soy), soft drinks (based on green tea, sweet potato and rice), sake and other alcoholic beverages.

At the same time, Japan takes part in regional and transregional processes. As of 2021, Japan is engaged in 18 Regional Trade Agreements (RTAs) within the WTO [8]. It should be noted that in these cases Japan does its best to protect national agriculture against the WTO rules. Thus, Japan's agricultural subsidies as a share of gross farm revenues are two times above the OECD average, at 41.3 percent [9]. About 80% of the governmental support is in the form of artificial price keeping, income compensation programs and etc. Meanwhile, productivity does not grow and the country is becoming more willing to reduce and/or eliminate tariffs on agricultural goods in an effort to increase export opportunities. Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), EU-Japan Economic Partnership Agreement and the U.S.-Japan Trade Agreement (USJTA) are the most sensitive for Japanese agriculture in this regard.

Progress in agricultural exports is a principle issue for Japan's economy. For this purpose, Japanese government enhances improving competitiveness, adoption of digital technologies at all stages of agricultural production value chain and presence in the fast-growing Asian market [10]. In addition, the country implements Geographical indication protection system (GI) at the legislative level as a strategy for raising national agricultural competitiveness. It characterises quality, features and reputation of a product [11].

Moreover, Japan develops cooperation and partnership with such countries as Australia, Brazil, Cambodia, China, India, Indonesia, Kenya, Myanmar, Philippines, Russia, South Africa, Thailand, Uzbekistan, Vietnam [12]. For instance, in relation to Russian Federation the tactic of market penetration through the cooperation of several companies is used. The natural opportunities of the Russian Far East are of the highest interest for Japanese companies. It concerns the production of non-genetically modified organism (GMO) soybeans, cereals, vegetables and marine resources, and its further export to the Asia-Pacific market and Europe via the Trans-Siberian Railway [13]. It is worth noting, Japan has a successful experience in this manner of import substitution realization. Japanese firms make long-term investments in infrastructure to ensure national needs in food. Kobe Bussan Group produces wheat, tomato, alfalfa, chamomile, lemongrass and basil in the province of Qena in southern Egypt [14].

Regarding foreign direct investments (FDI) in Japanese agriculture, negative cash flow characterizes the country, as shown in the figure 3. Despite the fact that the results of the RTAs indicate a significant inflow of total FDI from the partner countries.

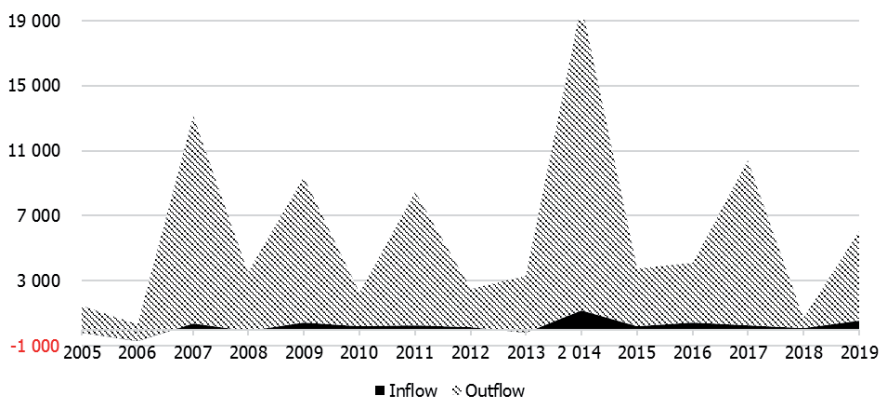


Fig. 3. FDI in Japanese food production, million dollars

Source: compiled by the author according to the data [15]

Instead of conclusion: why is the Japanese experience relevant for Russia?

The Japanese experience is actual and valuable for the Russian Federation for a number of reasons. Firstly, with regard to methodological principles, countries have comparable levels of population. That is of crucial importance when carrying out a research focused on people in general. Secondly, Japan has been a WTO member for 25 years. Its experience in adaptation and defence of national interests, especially in agriculture, is invaluable for Russia, which has recently completed the implementation period. This question requires further research. Thirdly, agriculture is a strategic sphere of the Japanese economy and self-sufficiency is a major indicator of national food security. And the same holds true for the Russian Federation. Fourthly, Japan takes an active part in free trade zones and enters into so-called new type of agreements, such as comprehensive agreements. From the author's point of view, the issue of how these agreements influence food security of its members should be also investigated. Because, in fact, it is a new level of research – transregional, as well as regional. They both unite countries according to their membership in integration. At transregional level, inter alia, prevalence of undernourishment, prevalence of moderate or severe food insecurity and malnutrition could be used as features. But estimation and quantification need attention and methodological approach. Returning to the issue of Russia, Japanese balance of liberalization and protectionism is curious for the country which is in the course of deep integration to the global economy. Finally, Japanese strategies related to agricultural and food export, attainment of food self-sufficiency, international cooperation and other external economic factors are significant for the country with similar food security' targets and criteria. In this context, Japan is a good example because, on the one hand, it ranks second in life expectancy (84,9 years; for comparison, Russia ranks 52) [16], and ranks ninth in Global Food Security Index (Russia ranks 24) [17] in 2020. And also, Japanese experience is worth to investigate for future bilateral relationship.

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ОСНОВНЫЕ НАПРАВЛЕНИЯ ПОЛИТИКИ ЯПОНИИ ПО ОБЕСПЕЧЕНИЮ НАЦИОНАЛЬНОЙ ПРОДОВОЛЬСТВЕННОЙ БЕЗОПАСНОСТИ

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Цель: статья посвящена выявлению особенностей обеспечения продовольственной безопасности Японии. *Обсуждение:* опыт Японии показывает, что усиление роли внешнеэкономических факторов в обеспечении продовольственной безопасности страны стало следствием либерализации торговых отношений после вступления страны в ВТО. Парадоксальным же является то, что при наличии явной проблемы с продовольственным самообеспечением Япония все глубже интегрируется в региональные партнерства и заключает всеобъемлющие соглашения нового типа. Хотя и диктует свои условия по защите сельского хозяйства и национальных производителей продовольствия, во многом несоответствующие принципам ВТО, применяя высокое субсидирование, ценовое регулирование стратегических категорий продовольствия и ограничивая импорт. *Результаты:* в ходе проведенного исследования был сделан вывод о том, что опыт Японии в обеспечении национальной продовольственной безопасности актуален для Российской Федерации. Выделен новый уровень исследования продовольственной безопасности – трансрегиональный. Обозначены ориентиры для дальнейшего изучения вопроса.

Ключевые слова: продовольственная безопасность, Япония, импорт, экспорт, ВТО, сельское хозяйство, импортозамещение, продовольственная самообеспеченность, внешнеэкономические факторы, прямые иностранные инвестиции, неполноценное питание.

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