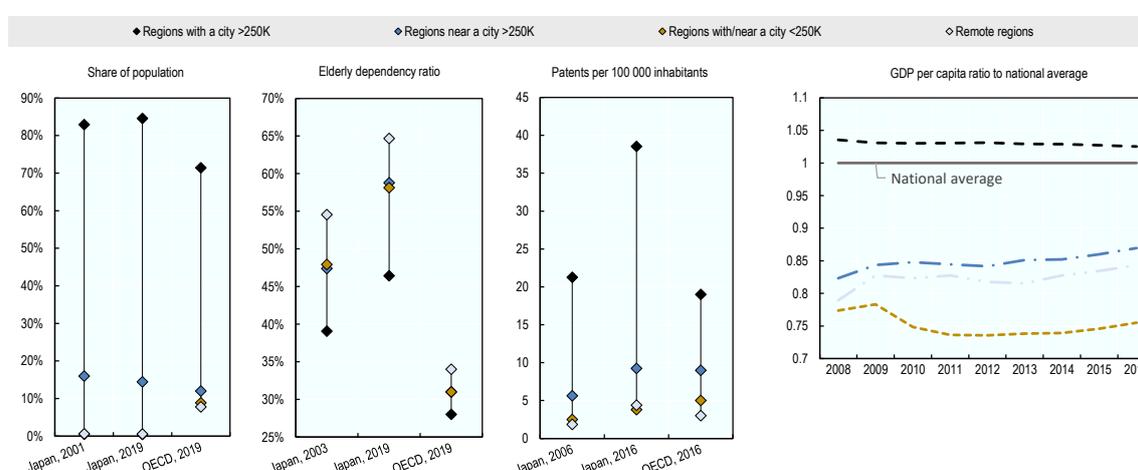


Japan

Statistical profile

Figure 1. Statistical profile



	Population growth 2008-2019 (%)	Growth in employment 2008-2016 (%)	GVA per worker (1 000 USD ppp)	GVA manufacturing share (%)	Hospital beds per 1 000 inhabitants
Regions with a city >250K	0.0 (0.7)	-1.1 (0.4)	105 (92)	21.7 (17.2)	11.7 (8)
Regions near a city >250K	-0.7 (0.3)	-1.9 (0.02)	98 (79)	24.7 (22.4)	15.1 (8.1)
Regions with/near a city <250K	-0.7 (0.2)	-2.1 (-0.1)	88 (71)	12.6 (19.6)	15.2 (4.9)
Remote regions	-0.7 (0.5)	-2.4 (-0.05)	96 (73)	17.2 (17.5)	15.4 (4.6)

Note: OECD average is presented in parenthesis. Data for hospital beds are from 2018 and data for GVA per worker, GVA by sector and unemployment rate are from 2017. GVA and GDP are measured in USD PPP (2015). The OECD average by order in the table has been made with 33, 25, 26, 25, 19 countries with available data. Employment growth measured as employment in the workplace.

Source: (OECD, 2020^[1]) OECD Regional Statistics (database), <http://dx.doi.org/10.1787/region-data-e>.

Policy framework and Institutional setting of rural development

Rural Definition

- ❖ In Japan, rural areas refer to all non-urban areas. For policymaking purposes, “urban areas” are defined based on population density and the percentage of densely inhabited districts (DID). Areas that do not meet the population density threshold are rural. Rural regions are divided into three categories: flat farming area, hilly farming area, and

mountainous farming area based on the ratio of cultivated land to total land and the ratio of forestland to grazing land. For the purposes of policymaking, Japan's rural definition considers mixed rural/urban areas, rural areas close to cities, and remote rural areas

National rural policy

- ❖ Japan has an explicit national policy. This policy is renewed every five years and aims to support development in rural areas. The most recent strategic policy document was issued in 2015.

Policy framework and Institutional setting of rural development

Lead ministry(ies) and other co-ordination bodies in charge

Table 1. Main institutions in charge of rural development policies at the national level

Ministries/Committees (most important first)	Role
Ministry of Agriculture, Forestry and Fisheries	The ministry's role centres around planning and funding to enhance community functions, create job opportunities and increase income, and promote rural-urban exchange and migration in rural areas.
Ministry of Land, Infrastructure, Transport and Tourism	This ministry provides planning and funding in peninsular areas and remote islands.
Headquarters for Overcoming Population Decline and Vitalizing Local Economy in Japan	This department provides planning and funding to contribute to overcoming population decline, correcting excess concentration in Tokyo, and vitalizing local economies.

Table 2. Main institutions in charge of rural development policies at the sub-national level

Institutions	Role
Regional offices of the Ministry of Agriculture, Forestry and Fisheries and Ministry of Land, Infrastructure, Transport and Tourism	Implementation and coordination of rural policy
Prefectural and municipal governments	Implementation of rural policy

Key objectives in rural policy and delivery mechanisms

- ❖ Japan's rural development policy allocates a high degree of importance to social areas (Table 3). Table 4 shows the main priorities of rural policy.
- ❖ The main delivery mechanisms of the rural development policy in Japan are dedicated grants programmes as well as contracts and agreements with local communities.

Table 3. Relevance of sectors in rural development policy

Policy areas	Weight on rural policy	Average OECD
Social	40%	30%
Economic	30%	40%
Environment	30%	30%

Note: Self-reported responses from country delegate to the question: “Please grade from 1 to 10 the importance rural development policies in your country assigns to economic, social and environmental areas”.

Source: OECD (2018), “Responses to the institutional survey on rural policy in OECD countries”.

Table 4. Relevant objectives in rural development policy

Top objectives	Programmes	Main financial mechanisms to support the strategy
Agricultural production	The Policy Package for Enhancing Competitiveness of Japan’s Agriculture, which incorporates 13 reforms such as costs reduce of farming inputs, structural reform of distribution and processing, improvement of employment structure in farm villages, etc.	Grants, subsidies, loans
Environmental sustainability	Direct payment for environmentally friendly agriculture, which supports agricultural production activities contributing to natural environmental conservation.	Subsidies
Service delivery	Small Station Initiative, which promotes the creation of basic service delivery hub at core hamlet with transport networks organized between neighboring hamlets, and is a grant which promotes regional vitalization. Payment for activities to enhance multi-functionality, which supports collective activities of rural communities to conserve farmland, agricultural facilities and local assets in good condition.	Subsidies
Accessibility- via transport/ broadband	Securing and improving local public transportation program, which provides subsidy to develop local public transportation.	Subsidies
Rural-urban linkages	A grant to promote rural development, which supports institutional development in rural communities and infrastructure development for rural-urban exchange facilities.	Subsidies
Land occupation, resilience and landscape preservation	Agricultural Promotion Area Development Law: Regulation for land use zoning and planning for agricultural development. Disaster prevention and mitigation program in rural area, which provides subsidy to improve the resilience of irrigation and drainage system in rural areas	Subsidies
Quality of life/well-being of rural residents	Rural sewage development program, which provides subsidy to develop sewage system in rural areas	Subsidies
Ageing and outmigration	Direct payments to farmers in hilly and mountainous areas, which supports continuation of agricultural production in hilly and mountainous areas	Subsidies
Innovation support to “rural” sectors	Cross-ministerial Strategic Innovation Promotion Program, which supports cross-ministerial projects for creating science technology innovation	Subsidies

Note: The objectives presented are the objectives with higher scores in the survey responses.

Source: OECD (2018), “Responses to the institutional survey on rural policy in OECD countries”.