

Agriculture and Employment: For Securing Vibrant Labor Force

Summary

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Objective of the Research:

In the agricultural sector in Japan, there has been a consistent tendency of labor shortage, due to the declining birthrate, the aging of society, and decrease in successor farmers in rural regions. One of the measures to adequately secure necessary workforce in this sector is considered to be utilizing employed labor force.

This research aims to identify future direction and challenges of utilization of employed labor force in the field of agriculture. We will collect cases and analyze realities of agricultural labor by visiting farms and conducting an interview survey targeted at farmers. Based on the analysis, we will then examine immediate challenges of agriculture from the perspective of workforce issues.

Outline of Research Results

1. Research Objective

This is a subsequent report to the JILPT Report “Agriculture and Employed Labor Force” released in March 2004. It aims to verify if the results of the previous report fit in with the realities of agricultural labor by visiting some farms in Japan to perform an interview survey targeted at farmers, and to identify immediate measures in order to facilitate the utilization of employed workforce in the agricultural sector. This time the research was broadened and deepened based on the opinions collected as precious information through the interview survey from those who actually engage in agriculture.

2. Research Method

Interview survey of farmers and relevant literature survey

3. Background of the Issue and Recognized Problems

The previous report released in 2004 made clear that there are a significantly large number of problems at present in utilizing employed labor force in the field of agriculture. Above all, it emphasized the following issues: (i) problems with respect to matching of workforce demand and supply, (ii) those related to the fact that agricultural operations take place on farmlands, and (iii) those in matching workforce demand and supply in the general labor market. The 2004 report suggested that since these three issues are mutually correlated and also closely related to national policies, nationwide enthusiasm and prudence are required to solve them.

Upon conducting our research, there were three pertinent challenges in terms of securing labor force: (i) protection of farmlands, (ii) increase in and retainment of food self-sufficiency rate, and (iii) revitalization of rural areas and securing of successor farmers. Below are brief explanations of each challenge.

<Protection of farmlands>

a. Protection of personal assets that belong to private farmers

One of the common points observed from any type of actual representatives of agricultural management entities (heads of private farming families or presidents of corporate farms) is that farmlands which serve as their operational bases are personal assets which they use as space for both living and production, and this has been affecting the issue of labor force in the sector of agriculture. Our research reconfirmed

that this fact has a significant, almost decisive impact on farmers' awareness and behavior.

The extremely firm intention of farming families to "protect vested lands which they have been cultivating" seem to trigger some sort of sense of vigilance against hiring workers outside of their family to obtain help in cultivating their own farmlands, even though the number of agricultural workers has drastically dropped and securing of successor farmers is becoming more and more difficult due to the further aging of rural population.

Furthermore, this sense of vigilance is causing tremendous impacts regarding operational efforts to enhance productivity. All of our survey subjects commonly showed reluctant attitudes towards developing their business by using new methods and by incorporating external workforce required for that purpose. Such attitudes do not easily bring out the idea that farms should efficiently utilize external labor force to reinforce the production system from the standpoint of workforce securing. On the contrary, they often lead farmers to conclude that their capacity is too limited to expand their production and operational scale.

Also in terms of personal issues such as utilization, management, and disposal of private assets, namely their farmlands, since the business of agriculture closely links the space of production and that of living, there is a structure where farmers are under a multiple range of practical restraints from other farming families in the same region. We learned that not only official institutions but also customary regulations that exist in each local community affect both awareness and actions of agricultural workers.

In other words, for the very fact that farmlands are private properties owned by individual farming families, it seems that the social framework, where utilization and management of farmlands receive influences from both advantage of agricultural protection policies and disadvantage of limitation in discretionary use of farmlands, is complicating farmers' consciousness. When the negative impacts from the disadvantage on farmers' daily lives exceed the positive ones, it is natural for them to relinquish their farmlands.

This framework with both merits and demerits is also related to the issues of successor farmers, including whether, as a result, future generations positively view the business of agriculture as one of their professional options, whether they actually choose to be farmers, and if so, how they involve themselves in this field. Obviously, the balance between the merits and demerits significantly varies depending on the productivity of each farmland. According to our survey, there are actually certain cases where protection of originally productive farmlands brings individual farming

families stable profits as long as they can easily secure labor force (as seen in Case 1 and 3). In contrast, some farmers who have farmlands with low productivity such as rice terraces are prioritizing their charm as tourist resources in natural environment to their agricultural productivity, trying to make use of their farmlands as impetus to revitalize the towns and villages where they have long lived (as seen in Case 2). In both cases, we can say that it is now the time for farmers to think of incorporating professional workforce apart from intraregional connections and/or blood ties.

On the other hand, we recognized a tendency that individual agricultural entities' little experience in hiring workers outside of their family on a regular contract basis has prevented them from maturing knowledge and methods for workforce utilization, partly due to "some sort of sense of vigilance against using external labor force to obtain help in cultivating their own farmlands." Despite such a tendency, however, there are not a few cases where agricultural corporations employ workers using various types of social insurance including labor insurance, and where private farmers have already prepared drafts for standard work specifications and operation manuals although they have not yet hired regular external employees (as seen in Case 1, 3, and 7). We also found that some farmers are exploring how to put prices on agricultural labor by calculating hourly wage based on their annual income and working hours (as seen in Case 1). It is true that some standard work specifications and operation manuals have not been completed yet or have eventually failed. Nonetheless, such observed efforts to reasonably and systematically elaborate on production activities suggest that the field of agriculture is now establishing a base to widely search for workers appropriate for specific positions in the general labor market and to incorporate professional workforce, even if rather slowly.

If the above-mentioned sense of vigilance or other similar psychological pressures felt by land-owning farmers who sincerely believe that owners of farmlands themselves are responsible for cultivating them is in fact hampering the introduction of professional labor force, dispatching or outsourcing and employing temporary and seasonal workers, instead of direct employment of regular workers on an annual, continuous basis, can alleviate such psychological pressures to a large extent, at least for the time being. Even at present, it is possible to fill quite a large number of job vacancies, by strengthening the recognition that job seekers in the general labor market do have a wide variety of preferences and requirements in terms of employment period and work pattern, and by setting up strategic conditions from the standpoint of a job offerer. It seems extremely significant to further examine the possibility to evolve this adjustment function of workforce supply-demand into a social system, emphasizing on this specific

point.

b. Protection of farmlands from the national perspective

Protection of farmlands is also one of the national issues necessary to be achieved. When one hears the word “farmland,” one often thinks of soil and field under the blue sky. In reality, however, even if one grows fruits or vegetables on a patch of land completely covered with concrete without actually contacting soil, the space of land is still called “farmland.” Both before and after this new concept of farmland takes root, it is vital to appropriately fulfill occasional workforce needs within a social framework.

In particular, if the national government establishes a system to actively promote the lease of relinquished lands and/or a special institution for farmland trust, and if a national or prefectural organization runs their operations, required personnel should be sufficiently secured.

There have been some cases that large-scale enterprises were exceptionally permitted to embark on agricultural business. This is definitely one of the proofs that companies which represent Japan in each industry are giving special attention to the business profitability which agriculture potentially has. It could also be possible that a large number of workers hired by such major companies which newly embarked on agricultural business and their associated enterprises might engage in agricultural works in the future.

<Increase in and retainment of food self-sufficiency rate>

In practice, private farmers and other agricultural workers are less conscious of food self-sufficiency rate than the national government and those in other industries apart from agriculture. All of our survey subjects seem to have been preoccupied with their own business management. It was also clear that their awareness was not at all mature enough to have interest in the national issue of food self-sufficiency and to commit themselves to their agricultural business as one of key role players inevitable to achieve high food self-sufficiency rate. They do not consider that agricultural production is their professional role and contributes to raising the national food self-sufficiency. Rather, before reaching such a lofty stage, much more energy is consumed to continue their business production and to protect their farmlands. Nevertheless, it is also certainly true that some agricultural workers are making efforts to review their ways of business management, production, and distribution for the purpose of improving management (as seen in Case 1, 3, 6, and 7).

We see the possibility that these efforts of individual farmers could ultimately lead to

the movement to pursue a modern production method, namely a production system which can help enhance their international competitiveness. If we consider the present movement as a growing trend of management diversification involving, for example, introduction of corporate management or entry into agricultural business by joint-stock companies, demand for a function to provide each management entity with appropriate employed labor force will soar from here on.

<Revitalization of rural areas and securing of successor farmers>

Some farmers consider utilizing agriculture and their farmlands as a means to revitalize rural areas, rather than simply using their farmlands as a place for agricultural production to make their lives. Through our survey, we found some sort of measures implemented by farmers for the sake of diversified management. Some instances include a kind of tourism/leisure business to accommodate volunteer activists or visitors on vacation using “agriculture” as a base material, such as combination of staying at a farm inn and experiencing agricultural works, and rice terrace project that gives owners the right to cultivate their own patch of rice terrace soil (as seen in Case 2 and 4). Although these cases apparently show certain characteristics of diversified farm management, farmers themselves are not fully aware of the fact. Even so, their trials are outstanding as one form of measures to secure successor farmers, at least at this moment. If they can develop their ideas into a creative business by further enriching their service offerings without being constrained by conventional images of existing tourism and leisure businesses, their efforts could have a considerable potential as a solution to the issue of successor farmers. For this purpose, it will be necessary to secure professional workforce suitable for each business operation throughout the year.

In order for agricultural management entities to secure labor force in the general labor market, it is essential to analyze required work responsibilities and task details and then to present each job position with a single job title that can precisely describe job requirements, using expressions that can be widely understood among the general public. Case 1, 3, and 7 are all related to this topic; agricultural producers themselves have drawn up draft documents that should be developed into standard work specifications or operation manuals. The contents of labor force required by agricultural management entities are analyzable according to responsibility and task. What is commonly problematic with respect to utilization of labor force among almost all subject cases is that employee management methods including clarification of educational trainings and instructions/orders based on the responsibility and task

analyses have not been sufficiently developed. Another problem is that few strategies for employed workforce utilization have been elaborated, to give answers to questions such as how analyzed task units should be combined to pay each employed worker a fair and proper wage as compensation for their labor. These issues should be vigorously examined in the future, as they are meaningful for both revitalization of rural regions and securing of successor farmers.

Outline of the Subject Cases

Case 1: A full-time farmer in Shonai Plain

The respondent (head of a farming family) and his wife take on almost all the tasks required for production. His grandfather and children occasionally help them. During peak seasons, he hires part-time workers. The family's total working hours per year is 3,753 (including times used for agricultural task-related paperwork and bookkeeping, but excluding part-timers' working hours). The working hours for lily cultivation exceed those for rice growing in total. His opinions based on his own farming experience include: (i) It is necessary to understand the agricultural labor not from the perspective of "farming family" but from that of "individual worker;" (ii) It is important to foster full-time farming families as "experts in agriculture;" and (iii) It is necessary to establish a special qualification system for agricultural experts suitable for the title of professional agriculturists. He is also trying to work out his original operational procedures and manuals associated with rice growing.

Case 2: A dairy farmer, member of an agricultural cooperative and conservation group of rice terraces, in Boso Region

The respondent is an executive of an agricultural cooperative organized in a hilly forest town in the suburb of a city, in order to revitalize semi-mountainous areas suffering from aging of the agricultural population and depopulation. He possesses some rice terraces and is also a member of a rice terrace conservation group, engaging in activities for revitalization of semi-mountainous regions targeting at city dwellers by promoting exchanges between cities and rural villages. Their activities include "trust" campaigns and "Satoyama Kino Juku (back-to-the-farm school in a semi-mountainous area)" with their major theme being "a lifestyle suggestion suitable for the 21st century." The conservation group has an ownership system of rice terraces, and also organizes various events including rice planting on rice terraces participated by residents outside of semi-mountainous areas. However, he is concerned that these

activities could change their traditional, familiar lifestyles, and insists that agricultural villages should in principle remain places to produce farm products and that they should not be transformed into tourist attractions or theme parks.

Case 3: A traditional full-time tomato cultivator in Hida Takayama Region

The respondent grows tomatoes in a cultivation area of 95 ares. He teaches how to grow tomatoes as an agricultural instructor at the Agricultural Cooperatives. According to him, it is currently difficult to automate tasks required for tomato cultivation. He needs the labor force of two part-timers in the harvesting season, and one in other less busy periods. However, it is essential that he can ask the part-timers to take a day off when he does not need their help. Therefore, he often seeks for help from parents of his wife, instead of hiring external workers. If he can find a young part-timer “who does not mind flexibly changing his or her work schedule depending on employer’s convenience,” he can utilize dormant farmlands and expand the cultivation area. In ninety percent of farming families in the Hida Takayama Region, parent generation engage in tomato cultivation while their sons are employed by private enterprises in non-agricultural sectors. The lack of successors is not a serious problem for farmers in the region, as many full-time tomato cultivating families in and around Kuguno-cho are economically successful.

Case 4: An organic farming limited company in Miya-mura, Ono-gun, Gifu Prefecture

The respondent set up a limited company specializing in organic farming in 1998. He also runs a restaurant as a side business. He does not belong to the Agricultural Cooperatives. Since organic farming without using agricultural chemicals requires experience and professional expertise both for cultivation and management, he can not hire part-timers who have no specialist knowledge. His company provides long and short-term seminars for agriculture experience to retirees, housewives, and young people who wish to start up a new lifestyle.

Case 5: A new tomato cultivator in Hida Takayama Region

The respondent was born and raised in Tokyo and used to work for a major automobile company. As a new farmer, he worked in a farm in the Hida Takayama Region for two years. It has been one year since he established his own agricultural business. He grows tomatoes on leased land of approximately 1,985 square meters. When he started his own business, he borrowed all necessary machines from other local farmers introduced through a farmer training program. He said it is difficult for a new

farmer to independently keep his business running. What was the most difficult for him was the human relationship within the local community.

Case 6: A full-time tomato cultivator in Nyukawa-mura, Hida Takayama Region

The parents of the respondent started tomato cultivation about 30 years ago. He and his father grow tomatoes, and their side business is to grow flowers, for which his mother is mainly responsible. He also writes as a journalist specialized in agricultural policies. Although there are a lot of needs to employ part-time workers in rush seasons, they can not afford to regularly pay to part-timers in cash. Moreover, it is impossible to find workers who can flexibly change their work schedule according to the farm's irregular work pattern. He will definitely welcome if part-time job seekers who have deep knowledge on tomato cultivation and need no training are available through referral from professional job placement agencies. In terms of the agricultural policies like issues of corporations' new participation in the agricultural sector and food self-sufficiency rate, he believes that the national government must have clear answers to questions such as whether Japan really needs agriculture, if so, how much labor force is needed, in what scale agricultural activities should be conducted, and in what quantity rice and vegetables are required to achieve the satisfactory level of food self-sufficiency rate.

Case 7: A leek cultivation limited company in Hamamatsu City, Shizuoka Prefecture

Four farmers in the local community jointly started up the limited company in 1986. It is the second agricultural corporation established in Japan. Their company is located in the suburb of a city where residential areas and farmlands mixedly exist. The issue of securing successor farmers triggered the establishment of this limited company. It regularly uses 18 part-timers. Although part-timers' working hours slightly vary depending on the season (within about five hours per day), the company developed a system to employ them throughout the year. There is a conveyor-belted operation line in the workplace. The company is interested in a system that can evaluate each part-timer based on his or her ability and capacity. They tried to draw up an original operation manual, but without success. Still, they were able to separately identify procedures that can be standardized and those that can not. The company believes the principle that agricultural production should be performed on possessed lands. However, in the hope that they can "involve other local residents," they "cultivate on leased lands." They say that if a "company" owns lands, its intention to make profits spoils "fertility the lands naturally have," and that the tenancy

agreement on the leased lands clarifies corporate responsibilities, preventing the company from “pursuing its own path solely on its discretion.”

Conclusion and Recommendations

The most basic measures to adjust workforce demand and supply from the perspective of labor policy include facilitation of job selection in the general labor market and utilization of a workforce supply-demand system. These measures, however, were not able to be easily accepted in the existing institutional mechanism of agriculture and by methods of agricultural business development rooted in the lives of rural farmers. The following are what labor policies should proactively or supportively deal with from here on, focusing on the future of Japanese agriculture:

(1) Securing of workplaces that can bring reward and satisfaction by promoting efficiency of agricultural management based on the concepts of selection and concentration

- If business activities of individual agricultural management entities can be transformed into those that produce high profits, it will be easy for private farmers to secure successors, as well as for small-sized agricultural corporations to acquire sufficient labor force. Furthermore, the number of new farmers will also increase. This is the idea commonly shared by all representatives of agricultural management entities in the cases surveyed, even though expressions and nuances of words are not exactly the same due to differences in their standpoints according to each agricultural region. The concepts of selection and concentration, especially measures for the purpose of promoting corporate management, etc., seem to contribute to new business development and creation of workplaces that can bring reward and satisfaction, and to have positive impacts on securing and cultivating labor force.

(2) Enhancement of the system to facilitate the utilization of workers on a non-annual, non-regular, non-continuous, and non-direct basis, as a means to make use of workforce for the purpose of alleviating psychological burdens attributed to the traditional idea of land-owning farmers that directly links cultivation and possession of farmlands

- It is necessary for agricultural management entities to strengthen the recognition that job seekers in the general labor market do have a wide variety of preferences and requirements in terms of employment period and work pattern and to acquire know-hows to set up strategic conditions from the standpoint of a job offerer. Job

placement organizations that well know the actual situation of the general labor market should play a role to give pertinent advice and instructions.

- Methods of worker dispatch and work commission programs must be reviewed and improved so that they can reduce private farmers' burdens of paperwork and employment management upon hiring workers outside of the family. The system should reflect significant seasonal changes in workforce demand and regional gaps. In the case of dispatched workers, special considerations are needed, such as securing stable employment throughout the year, paying attention to the following two points: (a) flexibly setting up dispatch areas of prospective workers, and (b) asking prospective dispatched workers to register other types of work that they can handle other than agricultural tasks. (In relation with (b), the existence of part-time farmers supports the possibility that dispatched workers can be also given non-agricultural works.)

(3) Establishment of public recognition with respect to farmland management and other associated issues, for which the national government is responsible, and preparation of a social system for securing labor force required for farmland protection and management, both before and after the new concept of intensified or advanced technology-based farmlands takes root

- If the national government establishes a system to actively promote the lease of relinquished lands and/or a special institution for farmland trust, and if a national or prefectural organization runs their operations, private institutions for the purpose of work commission, etc. should be fostered as systems through which public bodies can secure required personnel.

(4) Necessity to analyze required work responsibilities and task details and then to present each job position with a single job title that can precisely describe job requirements, using expressions that can be widely understood among the general public, in order to secure labor force in the general labor market

- In the case of private farming families, the head of each family and his or her spouse will be the subjects of the analysis regarding required work responsibilities and task details. In relation to the distribution of labor demands throughout the year, identified work responsibilities and task details should be categorized into business and operation management-related tasks as the owner of the business, and other non-management tasks. It would be desirable if the first step could be actively taken by individual agricultural management entities.

(5) Development of employee management methods that enable educational trainings and task instructions/orders based on the responsibility and task analyses

- Under proper employment management of temporary, seasonal, and part-time workers, streamlining and laborsaving should be achieved by improving each worker's vocational ability. Research projects implemented under the leadership of prefectural offices and agricultural business organizations and trainings and seminars based on the research results will be welcomed.

(6) Development of strategic methods in terms of wage structure to utilize employed labor force

- A method of wage determination should be introduced so that compensations for employed workers can be calculated by reasonably combining task units determined by the responsibility and task analyses. For this purpose, a full-fledged study performed by a specialized research organization will be required.

(7) Identification of expertise of individual agricultural workers

- The contents and levels of professional expertise should be consistent and acceptable throughout Japan. A specific method will be required to measure and evaluate knowledge, skills, and know-hows which compose total vocational ability, in order to identify each worker's vocational ability that can achieve certain results not only on his or her own farmlands but also on other farmlands. Identification of specialties further facilitates securing of vibrant labor force in the general labor market. Based on this understanding, research projects should be conducted at the national level where research organizations specializing in agriculture and labor respectively can collaborate and cooperate.

Our research identified some other issues that significantly affect agricultural labor. Below are brief descriptions of these issues for your reference.

First of all, there is a tendency for Japanese nationals of various positions including agricultural workers themselves to evaluate and understand agriculture, farmers, and their ways of being, only from images based on emotional point of view. For example, some people say that agriculture and farmers are the last and only virtuous resorts to protect the natural environment. Such a one-sided way of evaluation does not help but anguish agricultural workers. Moreover, it does not produce any positive energy to help improve agricultural management and production methods, and to enrich and

stabilize farmers' professional lives, either.

The next issue is related to agriculture as an economic activity. It is obvious that agriculture is an important industry and that agricultural management is a business activity, which means that the relation between production and consumption should in principle have the same structure as other industries. Nevertheless, we sometimes hear arguments that one of agriculture's characteristics is the inability to accept diversified needs from consumers, and that individual producers can not draw up production plans carefully reflecting market needs. At the very bottom of these arguments that emphasize what is not actually an absolute characteristic of agriculture, we see some sort of pastoral nostalgia and/or resistance against operational reforms. We fear that such pastoral nostalgia and resistance against reforms might deter a mechanism from taking root, where detailed consumer behaviors can be promptly and accurately fed back to production sites, and based on these data, each management entity can elaborate on operational development and production. It is only when producers meet market needs that they themselves can enhance added value of their agricultural products. We should not discuss agriculture as an economic activity from such a view as pastoral nostalgia.

Another issue associated with the relation between producers and consumers is that of "securing food safety." It is often said that the best way of buying agricultural products is to purchase so-called "traceable products (with names of producers)." However, there must be the relations of trust between producers and consumers. Consumers cannot feel safe to buy agricultural products, no matter who produces them or who buys them, unless they can trustfully believe that farmers in general produce food with its safety and security guaranteed under their professional responsibilities. The agricultural producers' responsibilities, as well as their professional pride that supports their responsibilities, are not only the matter specifically for agricultural managers but also the prerequisite for employed workers to fully exercise their abilities and to be vibrant labor force in the field of agriculture. This is a topic closely related to securing of energetic agricultural workforce.

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