Where is Japan in the Global Land Grab Debate?

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Many of the most prominent explanations for the post-2006 surge in large-scale foreign land investments, also known as the "global land grab", implicitly suggest that Japan should be close to the center of this phenomenon. Japan's levels of dependence on imported food and fuel, for instance, are among the highest (if not *the* highest) of any major global economy, so skyrocketing commodity prices since 2006 were presumably felt with particular intensity in the country. Japan has the world's second highest levels of foreign exchange reserves – potentially very useful for overseas investments – and opportunities for the profitable domestic investment of capital in Japan have been squeezed by two decades of economic stagnation and deflation. Japan also has exceptionally large and sophisticated multinational corporations with vast international experience, most notably the famed *sogo shosha* (general trading companies), and there is a long history of close public-private cooperation aimed at securing overseas resources for the Japanese economy. Finally, Japan has a very wealthy and very large economy (the third-largest in the world, in fact), and its size alone suggests that Japan would be a major player in international land investments. Japan thus has the motive, the means, and the methods to be one of the world's top "land grabbers."

In fact, however, Japan has a surprisingly low profile in reporting on and analysis of the global land grab. The main inventories of large-scale foreign land investments show few cases originating in Japan, and the main academic and activist publications on the land grab for the most part make limited if any reference to the country. This paper seeks to advance some tentative hypotheses to explain these facts. Because of the well-known problems with data on international land investments, I do not take a position in this paper on whether Japanese "land grabbing" is in fact as limited as it appears to be, or whether it is for some reason being under-reported. I do, however, provide a set of hypotheses that would explain both why Japanese overseas land investments are limited (if they in fact are), and also why whatever activity Japanese actors *are* engaged in in relation to the land grab might go relatively unremarked. In brief, my tentative hypotheses are that 1) the international experience of Japanese multinationals has, for various reasons, led them to avoid, rather than to engage in, large-scale overseas land acquisitions; 2) that the Japanese government's response to the food crisis and the land grab has tended to prioritize and support forms of "international agricultural investment" other than large-scale land acquisition; 3) that the avoidance of investment in or priorization of sub-Saharan Africa by private and public Japanese actors lowers the visibility of Japan's actions; and 4) that there has been, for the last 15 years, a broader tendency to ignore Japan in discussions of world politics.

The paper is organized as follows. The first section below details the features of the Japanese political economy that support the a priori case that the country should be one of the biggest sources of foreign land acquisition. The second section surveys three key land-investment inventories, a collection of media reports, and the academic and policy literature to see how (and to what extent) Japan's role in the land grab has been covered and analyzed. The third section discusses the four hypotheses. In the conclusion, I suggest that the Japanese case calls attention to the need for a comparative, as well as a global, political economy of the land grab.

Why we would Expect Japan to be a Key Source of Land Grab Investment

There are at least four features of Japan's place in the global political economy that would lead us to expect that Japanese investment would be close to the heart of the "global land grab". The first is the sheer size and wealth of the Japanese economy. Japan has the third largest national economy in the world. Its gross national income of $5.869 trillion places it behind the United States ($17.577 trillion) and China ($7.298 trillion), but well ahead of the fourth-largest country, Germany ($3.577 trillion).[1] Even if there were no other specific reasons for Japan to be inclined to overseas land investments, the country's sheer size should make it an important source of such investment (as, of course, are the USA and China).

Second, Japan has extremely high levels of dependence on imported food and fuel. World Trade Organization statistics for 2010 rank Japan as the world's fourth-largest food importer, after the EU-27 (which is, obviously, a group of 27 countries rather than a single national economy), the USA, and China.[2] Japan is also the world's largest net importer of food. According to statistics calculated by Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF), Japan's food self-sufficiency rate for 2010 was 39%, that is, only 39% of the calories consumed by humans in Japan originated in the country. This figure is much lower than those given by MAFF for Canada (168%), the USA (124%), France (111%), and Germany (80%), and is lower even than the rates for the UK (65%), Switzerland (55%), and South Korea (50%).[3] One observer has suggested that this massive dependence on imported food means Japan may be "the one country for which food security may have the greatest significance."[4] Nor is the idea that the Japanese might feel anxious about this situation hypothetical. 86% of the people who responded to a 2010 public opinion survey by Japan's Cabinet Office stated that they felt either "extremely worried" (38.2%) or "somewhat worried" (47.7%) about the future of

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[1] IMF, World Economic Outlook Database, April 2012, http://www.imf.org/external/pubs/ft/weo/2012/01/weodata/index.aspx (accessed 31 Aug 2012).
[2] WTO, International Trade Statistics 2011, Table II.15, http://www.wto.org/english/res_e/statis_e/its2011_e/its11_merch_trade_product_e.htm (accessed 1 September 2012).
[3] (MAFF 2012: 12). All figures are for 2007 except those for Switzerland (2008) and South Korea (2009).
[4] (McKee 2009).

Japan's food imports.[5] Turning to dependence on fuel imports, we find that Japan is the world's fourth-largest oil importer, after the USA, the EU, and China, and that the country is almost completely dependent on imports for its fossil fuel supply.[6] Japan's dependence on imported fossil fuels has only been exacerbated by the 2011 earthquake and tsunami, as a result of which virtually all of Japan's nuclear power capacity is now off line. As a final point on Japan's level of dependence, it is worth noting that all of the countries/groupings ahead of Japan on the food and oil import lists given here have much larger populations than does Japan. Given that dependence on food and fuel imports is often said to be a key factor driving outward land investment, it seems reasonable to expect that it would have the same effect in Japan.

Third, Japanese capital plays a large role in the global financial system, and profitable investment opportunities for this capital in Japan itself are limited. Japan has, for instance, the world's second-largest holdings of foreign exchange reserves. At $1271 billion, Japan's reserve holdings as of mid-2012 were much smaller than those of China ($3240 billion), but also much larger than those of the third-place country, Russia ($514 billion).[7] Investment opportunities in Japan, on the other hand, have been limited by economic stagnation, deflation, and ultra-low interest rates since the collapse of an economic bubble at the end of the 1980s. Remarkably, in 2010 Japan's economy was, in real yen terms, only 22% larger than it had been in 1990. By way of comparison, China's economy grew 631% over the same period, and even the UK's grew by 60%.[8] The nominal growth picture is even worse. Deflation has meant that the Japanese economy was, in 2011, only 10% larger in nominal yen terms than it had been in 1990. Over the last two decades, there have been large-scale efforts by Japanese and other actors to put Japanese capital to work outside the country – including through the "carry trade", in which money is borrowed at very low interest rates in Japan and invested for higher rates of return elsewhere. The "carry trade", for instance, played a major role in creating the conditions for the the Southeast Asian financial crisis in 1997-8.

Fourth, Japanese MNCs have vast international experience stretching back to the 1950s (and, in some cases, to before World War II) that would presumably be highly useful in international land investments. Japanese corporations, along with the *sogo shosha* trading companies, have long worked to source raw materials for the Japanese economy, and have developed famed transnational networks and information-generating capacities in doing so. Japanese companies have also been highly active in the sphere of foreign direct investment, though Japan's share of global outward FDI is much lower

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[5] (MAFF 2012: 13).

[6] https://www.cia.gov/library/publications/the-world-factbook/rankorder/2175rank.html (accessed 1 September 2012).

[7] Chinese data from http://www.pbc.gov.cn/publish/html/2012s09.htm; other data from http://www.imf.org/external/np/sta/ir/IRProcessWeb/data/8802.pdf (accessed 1 September 2012).

[8] Calculated by author from World Bank, World Development Indicators (accessed on 1 September 2012).

now than it was in the late 1980s and early 1990s.[9] There is also a very long history of Japanese state-business cooperation aimed at ensuring that Japan has access to the raw materials the country's economy requires.[10]

In sum, Japan seems to fit comfortably into one of the key categories of countries generally said to be engaged in transnational land grabbing: it is an East Asian economy with high levels of dependence on imported food and fuel and large amounts of capital and foreign exchange reserves. Arguably, Japan's slow economic growth and shrinking population could mean that Japan faces less critical concerns about access to raw materials than do South Korea or, certainly, China. On the other hand, Japanese MNC experience with overseas resource acquisition and investment is certainly greater than China's. Japan also has the third largest national economy in the world, and the two countries ahead of it on the list – the USA and China – are both major players in the global land grab. On balance, it seems that there is a strong a priori case for expecting that Japan would be a major player in the land grab, and indeed that it would be one of the top 2-3 countries investing internationally in land.

Finally, if the above four arguments relate primarily to Japan's structural position in the global political economy, there are two other reasons to think that Japan's role in the land grab would attract significant scrutiny, one historical, one contemporary and political. The historical point is that in the late 1980s and early 1990s, it was very common to hear the argument that Japanese outward investment was buying up the world and destroying the global (and especially Asian) environment.[11] There is thus a fairly recent historical precedent for panic over outward Japanese investment that is similar in many respects to the current fears about Chinese and Middle Eastern land investments, yet this story seems not to be being repeated this time around. The contemporary and political point is that the Japanese government has in fact been quite active in the politics of the land grab, both as a major promoter of the concept of Principles for Responsible Agricultural Investment (RAI) and through the issuing, in August 2009, of a set of guidelines for government promotion of overseas agricultural investments by Japanese actors (on which more below).[12]

Japan in the Inventories, the News Reports, and the Literature

<u>Japan in the Inventories</u>

One of the early efforts to give a detailed overview of the global land grab phenomenon was undertaken by the International Food Policy Research Institute (IFPRI)

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[9] Japan accounted for 21% of world outflows of FDI in 1990 and less than 7% in 2011. *UNCTAD World Investment Report 2012*, Annex Table 2, available at http://unctad.org/en/Pages/DIAE/World%20Investment%20Report/Annex-Tables.aspx (accessed 1 September 2012).

[10] See inter alia (Kato 2002; Dauvergne 1997; Bunker and Ciccantell 1995; Ciccantell and Bunker 2002).

[11] (Hall 2005).

[12] On the Japan's role in the RAI see for instance (Nakamoto and Blas 2009).

in April 2009. The IFPRI "Table of media reports on overseas land investments to secure food supplies, 2006-2009" recorded a total of 55 cases of such investment. Only one of these – the acquisition by Mitsui in 2007 of 100,000 hectares for soybean production in Brazil – listed Japan as the investing country.[13]

The NGO GRAIN has been one of the key organizations engaged in documenting the global land grab. The latest Grain inventory was published in February 2012 and covers 416 cases initiated since 2006. The other criteria for inclusion in the inventory were that the investments have not yet been cancelled, are foreign-led, are for food crop production, and "involve large areas of land." The top five "base" or investor countries in the inventory by number of cases are the UK (40), the USA (39), China (37), India (28), and Germany (23). Japan appears as the "base" country for only three cases, and ties with several other countries (including Bangladesh) for 26th place.[14]

The Land Matrix Database, the third inventory I discuss here, is the result of a collaboration between the International Land Coalition, CIRAD, the Centre for Development and Environment at the University of Bern, the German Institute for Global and Area Studies, and the GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit). As of 31 August 2012, the Database covered 924 cases of land investment. Its coverage is substantially greater than that in the IFPRI or GRAIN inventories in part because it incorporates investments that have taken place since 2000 (rather than only including ones from the post-2006 "land grab" period proper), and in part because it includes not only transnational investments but ones carried out by companies based in the country where the investment is taking place. This inventory also goes beyond agricultural investments to incorporate projects aimed at timber extraction, carbon trading, mining, conservation, and tourism.[15] The inventory provides aggregate data by investor country both by the total area of land targeted and by number of cases. Japan comes in at number 17 on both lists. In terms of hectares targeted, the top investing countries are Indonesia (with 8.2 million), Malaysia (7.6 million), and India (6.3 million); Japan has just over 800,000. The top countries in terms of number of deals are India (121 deals), China (46), and the UK (41), while Japan accounts for 14. Turning to the detailed account of Japanese investments, one dates from 2001 and another from 2005, but the others all list the start date as "unknown", so it is impossible to tell from the data to what extent this Japanese investment has taken place during the post-2006 land rush.

Table 1 sums up these findings and compares the number of cases of outgoing Japanese land investment reported in each of the three inventories with the number of cases from the US and UK (as other large, high-GDP-per-capita G8 countries) and from China and South Korea (as other large food-and-fuel-dependent East Asian countries).

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[13] (von Braun and Meinzen-Dick 2009).
[14] All totals calculated by author from http://www.grain.org/article/entries/4479-grain-releases-data-set-with-over-400-global-land-grabs (accessed 11 May 2012).
[15] http://landportal.info/landmatrix/get-the-detail#pages-methodology (accessed 31 August 2012).

For each of the inventories, the number of Japanese cases is substantially smaller (often dramatically so) than the number from all four of the other countries.

Table 1: Number of Cases of Outgoing Investments from Japan and other Key Countries in Prominent "Land Grab" Inventories

Inventory	**Japan**	USA	UK	China	South Korea	Total Cases	**Japan as % of total**
IFPRI April 2009	**1**	4	8	6	3	55	**1.8%**
GRAIN February 2012	**3**	39	40	37	16	416	**0.7%**
Land Matrix Database as of 31 August 2012	**14**	37	41	46	27	924	**1.5%**

Japan in Media Reports

To supplement the discussion of the inventories, I have also analyzed the roughly 40 English-language media reports posted on the farmlandgrab.org website and tagged "Japan". Perhaps unsurprisingly, these reports discuss more or less the same universe of cases of overseas Japanese land investments as do the inventories, with some small additions. By far the most frequently reported-on case is Mitsui's investment in the Swiss company Multigrain SA, presumably because this case is very large and dates back to 2007, and because Mitsui's role has evolved with time (and thus required updating in the media). In August 2007, Mitsui purchased 25% of Multigrain SA, the other two owners of which at the time were the American company CHS Inc. and PMG Trading SA of Brazil, which both had 37.5%. Multigrain at this time had purchased 100,000 ha of farmland in Brazil devoted to soybeans and other crops. In October 2008, Mitsui increased its stake to 39.35%, and a December 2008 report stated that the company had produced 100,000 tons of soybeans and 20,000 tons each of corn and cotton on 120,000 hectares of land that year. In December 2010 Mitsui's stake was reported as being 45%, and in 2011 it made the company a wholly-owned subsidary. The Mitsui case was the sole Japanese case in the 2009 IFPRI database and was one of the three cases reported by GRAIN in February 2012.[16]

Another case that has received substantial attention since it was announced in November 2010 is the creation by Sojitz Corp., a *sogo shosha*, of a company called Sojitz Buenas Tierra del Sur S.A. in Argentina. Sojitz established the company to produce soybeans and other crops for export to Asia on (initially) 11,000 ha of leased land in the Pampas.[17] Philippine activists, meanwhile, have called attention to (and shut down) the activities of a large bioethanol plant in Isabela, Philippines. The plant, which started operations in May 2012, was established by Green Future Innovations, a joint venture

[16] On the Mitsui case see (Anonymous 2007; Takada and Suzuki 2008; Humber and Suzuki 2011; Nakata 2010; MAFF 2012: 22).
[17] (Inajima and Suzuki 2010).

between Itochu Corp. and JGC Corp., both Japanese companies. A report by Friends of the Earth Japan states that GFI does not itself own or lease the land on which the sugarcane for the plant is grown. Cultivation and supply is managed by Ecofuel Land Development Inc., a 100% Philippine-owned company that both leases land from local farmers and has them grow sugarcane under contract.[18] The Sojitz and GFI cases make up the other two Japanese cases in the February 2012 GRAIN inventory. Beyond these, the references are more scattered. There is one to the expansion of plantations by Sumitomo Fruits Philippines in Mindanao. It is also implied in several articles that Marubeni has acquired land in Latin America, though the details provided for these cases do not make it clear whether they involve actual engagement in land acquisition and production rather than just shipping and transportation investments.

We can also compare the cases of actual Japanese overseas land investments that emerge from the farmlandgrab.org media reports to those on a list of Japanese overseas agricultural investments compiled by Japan’s Ministry of Agriculture, Forestry and Fisheries in July 2012 (restricting our focus, again, to cases initiated since 2006).[19] The Mitsui and Sojitz investments both appear on this list, though the GFI one does not; here again, too, it is not clear whether Marubeni’s investments in Brazil and Argentina qualify as actual land acquisition. Otherwise, the investments on the list seem to involve procurement, distribution, storage and shipping capacity (like terminals) rather than land investments proper.

<u>Japan in the Academic and Policy Literatures</u>

If Japanese outward investments are notable for their relative scarcity in the inventories, and media reports also show a small number of cases, what about the place of Japan in the academic and policy literatures? To get a sense of this, I have done a quick analysis of three large collections of papers on the global land grab. The first set is the 49 papers published in three special issues of the *Journal of Peasant Studies*: the 2010 issue on agrofuels edited by Borras, McMichael and Scoones, the 2012 special issue on green grabs edited by Fairhead, Leach and Scoones, and the 2012 double special issue on the ‘new enclosures’ edited by White, Borras, Hall, Scoones and Wolford. PDF searches of the 49 papers (which, assuming roughly 8000 words per paper, likely add up to close to 400,000 words of text) show that 14 of them make some reference to Japan. Of these, three make what I would call “substantive” reference to Japan from the point of view of the land grab debate – that is, they refer to actual Japanese investment in land in other countries. Only one of these (the paper on Vietnam by Thomas Sikor in the ‘new enclosures’ issue) deals with a specific case of Japanese investment, and that case dates back to the 1990s.[20] Discussion of actual Japanese participation in the post-2006 upsurge

[18] (Asian Peasant Coalition 2012; Hatae 2012).
[19] (MAFF 2012: 21).
[20] (Sikor 2012). The other two papers with substantive (though quite limited) reference to Japan are (Sauer and Leite 2012; Borras et al. 2012).

of international investment is thus essentially absent in these 49 papers. It is worth noting that none of the three overview papers for these special issues mention Japan.[21]

The other two sets of papers I surveyed were those presented at the first Global Land Grabbing conference in Brighton on 6-8 April 2011 (looking at the titles and abstracts of the papers), and those to be presented at this conference (titles only). At the Brighton meetings, none of the paper titles mentioned Japan, and only one abstract did. This paper is the only one to be presented at this conference that makes reference to Japan in the title.[22]

To supplement this analysis, I also looked at a group of other papers, reports and books on the land grab that engage in large-scale attempts to come to terms with the overall scope and contours of the phenomenon.[23] All of these sources make some reference to Japan, but in no case are the references detailed or extended. In two instances (Cotula and Vermeulen 2009 and The World Bank 2010) the references are to Japan's role in promoting the Principles for Responsible Agro-Investing. Perhaps most striking is the coverage of Japan in Fred Pearce's 2012 book *The Land Grabbers*. Pearce's book is a rich and detailed account of a huge range of land grab investments, and gives a very diverse sense of the countries involved on both the investing and the recipient side. There are, however, no detailed Japanese cases. While there are several in-passing references to Japan in the book, the only substantive one is a half-paragraph discussion of Mitsui's purchase of Multigrain (p.126). The book's index has entries for 97 different countries, but no entry for Japan. I should stress that my calling attention to the lack of information on Japan in these works is not meant as a critique; mentioning Japan is not a desideratum in itself. However, given the expectations about Japan's likely role in the post-2006 land grab that I discussed above, it is remarkable that the 60-odd sources I was able to search contain, between them, virtually no discussion of Japan.

The above review seems to show that there are few cases of overseas Japanese land investment in the land grab inventories, that media coverage of Japan's role in the land grab focuses on a small number of such cases (and on Japan's role in promoting the RAI concept in global governance fora), and that there is very limited interest in Japan in the academic and policy literatures. It is important to bear in mind that this is all that I have shown. It is widely recognized that accurate reporting on the land grab is extremely challenging. This problem is usually brought up with respect to cases that turn out on closer inspection either not to exist or to be much smaller than reports claim: announced projects that never receive land, for instance, or 100,000 ha schemes that only end up planting a tiny fraction of that area. It is quite likely, however, that the reports also suffer from the opposite problem of missing investments that actually do exist. My survey of

[21] (Borras, McMichael, and Scoones 2010; Fairhead, Leach, and Scoones 2012; White et al. 2012).
[22] (Inajima and Suzuki 2010).
[23] The sources referenced here are (Cotula et al. 2009; Cotula and Vermeulen 2009; The World Bank 2010; De Schutter 2011; Deininger 2011; Zoomers 2010; Pearce 2012; Anseeuw et al. 2012).

the inventories, journalism, and academic and policy literatures is also, of course, partial and incomplete. Absence of evidence is not evidence of absence; or, to put it more directly, there may be plenty of other Japanese overseas land investments out there that I have not yet stumbled upon. While it is not immediately clear to me why Japan would be particularly prone to such an under-reporting phenomenon, this possibility must be kept in mind.

As a result, the four hypotheses below seek to provide potential explanations for two different empirical situations. One is that surprisingly little overseas land investment is coming out of Japan. If this is so, then Japan would provide on the investor side a counterpart to the two recipient cases of land grab "dogs that don't bark" discussed by White et al.[24] The other possibility is that Japan's role in the land grab – most prominently, the direct acquisition of land overseas by Japanese actors, but also other issues like the Japanese government's promotion of responsible investment principles and the investments in procurement, storage and shipping networks of the *sogo shosha* – is being under-reported. The first two hypotheses, and the bulk of the discussion, relate to the first possibility; the third and fourth relate to the second. It is possible that both these empirical conditions could exist: that is, it may be that Japanese actors engage in surprisingly little overseas land acquisition given the structural position of Japan in the global political economy discussed in the first section of this paper, *and* that what Japanese engagement there is in the land grab is being under-reported. It is also possible that the second is the case and the first is not – that there are in fact large amounts of additional Japanese land grabbing going on "under the radar".

Four Hypotheses

<u>Hypothesis 1: The extensive international investments and networks that Japanese firms have built up since the Second World War push against, not for, large-scale overseas land investments.</u>

Three sub-hypotheses fit under this broad heading. The first suggests that because of the long international history of Japan's *sogo shosha* and other multinational firms, the country's corporate sector already has large amounts of foreign land "in the bank". If this were true, it could be that this land could be put to new uses in response to changing demand since 2007 and that Japan thus faces less pressure than do other countries to scramble after more land. There is a surprising range of opinion on the question of Japan's history of overseas land acquisition in the literature I have surveyed. Some commentators have argued that Japan already has huge landholdings overseas, suggesting (without sources that I have seen) a figure of three times the arable land area of Japan.[25] More common are arguments that Japanese companies have "long lagged behind their global competition" in this respect, and have focused more on sourcing, procurement, and

[24] (White et al. 2012: 641-2). The cases of surprising absences of inward land grab investment they discuss are Kenya and Vietnam.

[25] (De Schutter 2011: 251 fn2); Song Tingming, deputy chairman of China Association of Grain Sector [sic], quoted in (Li 2008).

shipping.[26] There have been recent reports of the extent of Japanese land holdings in Brazil and in the Australian state of Queensland. The Brazilian figures show Japan to be one of the major landholders in the country (perhaps even the largest), though these statistics are acknowledged to be incomplete and unreliable, and different reports have put Japan in a different position relative to other foreign investors.[27] The Queensland figures, on the other hand, show a remarkable retrenchment of once-substantial Japanese investment in the state's land over the last decade. While overall foreign ownership of land in Queensland tripled in the seven years after 2002, Japan's holdings in the state collapsed from 544,000 ha in 2002 to 138,594 ha in 2008.[28]

A second sub-hypothesis would, if correct, more or less contradict the first. It is that the past involvement of Japanese multinationals in overseas agricultural production has given them a more realistic picture of the difficulties and challenges of such investment than is possessed by companies with less experience. My own research on Japanese involvement in shrimp aquaculture and industrial tree plantations in Southeast Asia in the 1980s and 1990s has shown that issues like disease problems, environmental change and conflicts over property rights discouraged Japanese actors from substantial engagement in the actual production of shrimp and trees in the region.[29] An account of a March 2009 Japanese government-business meeting to strategize about overseas agricultural investment also shows *sogo shosha* resistance to the idea of land purchases abroad, and indeed argues that that uneasiness played a decisive role in shaping government policy. The article states that in response to prominent Japanese politician Katô Kôichi asking "Can't Japan also think about buying some land overseas?", Saitô Takuya of Mitsui Bussan responded that "If we think about the local feelings in the other countries, it will surely be difficult for the government to go overseas and buy agricultural land." The article argues that Saitô's response was shaped by *sogo shosha* experiences like a ten-year investment in agricultural land in Indonesia in the 1970s-1980s which failed as a result of disease problems and conflicts with local farmers. Saitô explained to the article's authors that after this case, "there was a feeling that the business of cultivating land and producing agricultural goods in foreign countries should be left alone".[30] Saitô's attitude is particularly interesting given that he works for Mitsui, the company that has acquired a large land investment in Brazil through its purchase of Multigrain SA. Saitô has argued elsewhere, however, that Brazil is a special case, arguing that the country "is the only place that we believe has large-scale potential (for Japan) to buy up farmland" and that "Brazil definitely beats other countries in terms of potential."[31]

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[26] The quotation is from (Nakata 2010); see also (McKee 2009).
[27] (Anonymous 2010; Sauer and Leite 2012: 886-9).
[28] (Bita 2011).
[29] (Hall 2003, 2002a, 2002b).
[30] (Yu and Nagasawa 2010b). An abbreviated English translation of this article has been posted on farmlandgrab.org (Yu and Nagasawa 2010a). The English version includes the discussion of the Indonesian investment, but does not reproduce the exchange between Katô and Saitô.
[31] (Nakata 2010).

A third sub-hypothesis refers again to the history of *sogo shosha* involvement in the global political economy. Japan's trading companies are renowned for their procurement and shipping networks and their remarkable information-gathering networks. These networks would likely have put them in a stronger competitive position with respect to sourcing agricultural products for sale in Japan (and, crucially, elsewhere in Asia) than were the companies of other highly food import-dependent countries in Asia and the Middle East when the food crisis of 2007-8 hit. These substantially stronger sourcing capabilities may have meant that the *sogo shosha* were less concerned about the prospect of actually being unable to get access to food commodities than were other Asian and Middle Eastern companies and governments. In addition, the *sogo shosha*'s talents in the areas of sourcing, shipping, and storage seem to have encouraged them to build on these strengths as they adapt to a new world of higher food prices, rather than to embark on risky direct investments in land and agricultural production. The July 2012 MAFF list of Japanese overseas agricultural investments cited above is dominated by cases of *sogo shosha* expanding their sourcing networks and investing in overseas harbour terminals and other storage/transportation facilities.[32] One element of the *sogo shosha* strategy that seems to tie together these two possibilities is the fact that their post-2007 moves have been driven much more by efforts to expand sales in rapidly growing countries in Asia, rather than to Japan (where consumption of key bulk agricultural commodities is stagnant or falling). Overall, if *sogo shosha* moves are driven more by the opportunities of Asian markets than by the fear of actual supply cut-offs for Japan, and if their past experiences have given them substantial strengths in the areas of procurement and shipping but bad memories of investment in actual agricultural production, the fact that there seem to be few land grab cases originating in Japan should not surprise us.

<u>Hypothesis 2: The nature of the Japanese government response to the 2007-8 food crisis and the international debate over the land grab has given relatively limited encouragement to actual investment in land and agricultural production.</u>

In April 2009, the Japanese government created a new deliberative body to develop policy on international agricultural investment. This council, the *Shokuryô Anzen Hoshô no tame no Kaigai Tôshi Sokushin ni kan suru Kaigi* (Council for the Promotion of Overseas Investment for Food Security – my translation), was made up of representatives from the Ministry of Foreign Affairs (MoFA), Ministry of Finance, Ministry of Agriculture, Forestry and Fisheries (MAFF), Ministry of Economy, Trade and Industry, Japan Bank for International Cooperation, Japan International Cooperation Agency, the Japan External Trade Organization (JETRO), and Nippon Export Import Insurance (NEXI).[33] MoFA and MAFF took the lead roles in the Council. In August 2009, the Council released the "Guidelines for the Promotion of Overseas Investment for Food Security." These guidelines focused on a number of elements of public-private cooperation in promoting overseas agricultural investments by Japanese companies, including initiatives relating to the investment environment (including the signing of investment treaties), connections between private investment and ODA, the use of public

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[32] (MAFF 2012: 21). On *sogo shosha* involvement in sourcing, shipping and storage, see also (Anonymous 2008; Blas 2009).

[33] (MAFF 2012: 29).

funds, and the collecting and provision of information related to overseas agricultural investment.

The approach to overseas agricultural investment envisioned by the Council explicitly includes the purchase and lease of agricultural land abroad by Japanese corporations.[34] There has been at least one example of concrete state support for such acquisitions: the state-backed NEXI, one of the participants in the Council, is providing insurance for Sojitz to cover the risks of its land investment in Argentina.[35] More broadly, Japan's promotion of the RAI shows that the government is in favour of overseas land investment, as long as it is 'responsibly' carried out.[36]

However, the acquisition of overseas land by Japanese corporations forms a relatively small part of the overall framework for the promotion of overseas agricultural investment (*kaigai nôgyô tôshi*, the government's preferred phrase) and, even more broadly, of Japan's food security. Japan's investment promotion measures, first, do not extend to the direct purchase of overseas land with government funds. Second, land acquisition is just one of a range of types of overseas investment being promoted, with others including shipping and storage networks and facilities; agricultural research and technology transfer; and information collection/provision. Third, the goal of Japanese agricultural investment abroad is not meant to be the export of food to Japan, but rather increasing agricultural production in general both for the benefit of the recipient country and to increase the amount of food available on global markets. (This approach fits well with the *sogo shosha* focus on raising exports to Asia, rather than Japan, noted above.) Fourth, the "fundamental" element in increasing Japan's food security, according to MAFF, should be the increase of domestic Japanese production. MAFF has an official goal of raising Japan's food self-sufficiency rate from the current 39% to 50% (an extremely ambitious goal given the trajectory of Japanese agriculture), and encourages Japanese consumers to shift their consumption from imported to domestic food through a variety of different campaigns.

The nature of the government's promotion policies for agricultural investment are likely to have two implications for Japan's place in the land grab inventories and literature. First, to the extent that government policy steers companies towards investment in procurement, shipping, and technology transfer rather than direct land acquisition, Japanese "overseas agricultural investment" will not show up in land grab inventories. Second, these kinds of investments are less likely to be the focus of contention than are land purchases and leases, and their consequent lower visibility would likely contribute to less attention being paid to Japan in academic, journalistic and policy coverage of the land grab.

<u>Hypothesis 3: Japanese overseas agricultural investment has mostly avoided Africa.</u>

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[34] (MAFF 2012: 30).

[35] (Inajima and Suzuki 2010).

[36] I cannot resist pointing out that the acronym MAFF uses for these principles, PRAI, is very similar to the Thai word *phrai* which means "serf" or "slave".

While reporting and research on the global land grab has extended to a wide range of countries on several continents, it seems fair to argue that investigation on the recipient side has been most focused on sub-Saharan Africa. Many estimates suggest that the region is the main recipient of large-scale overseas land investments, and concerns over the human rights and poverty implications of investments in sub-Saharan Africa have also been particularly prominent in reporting on the land grab. Both Japanese corporations and the government, however, have mostly avoided or downplayed Africa as a location for Japanese agricultural investment. A November 2008 report stated that "The Japanese private sector, particularly trading companies such as Marubeni, has avoided Africa, concerned about exporting crops from a hungry continent, and has concentrated on Brazil, the US, Uruguay and Argentina."[37] The government Guidelines cited above, too, list Central and South America, Central Asia, and Eastern Europe as the areas to be targeted by Japanese agricultural investment, but do not list Africa. Japanese agricultural ODA is certainly present in Africa, and Japan is currently working on an aid project in Mozambique that is meant to repeat the earlier experience of Japanese agricultural assitance in the Brazilian *cerrado*. However, to the extent that Japan's private investment has avoided Africa, it seems likely that Japan's visibility in the global land grab debate would fall.

<u>Hypothesis 4: No one pays attention to Japan anymore.</u>

My final hypothesis about Japan's low profile in the global land grab debate calls attention to a broader lack of interest in Japan that has characterized the western media and writing on world politics in general over the last 10-15 years. In the 1980s and early 1990s, as noted above, Japan received an enormous amount of journalistic and academic attention. The country's rise through the hierarchy of the global political economy seemed so inexorable that it prompted a debate in international relations and related fields about whether Japan was set to take over global hegemony from the United States. One much-quoted summation of the state of play around 1989 claimed: "The Cold war is over, and Japan won." Concerns about Japan's rise were so widespread that the phrase "Japan-bashing" was coined to describe the reaction. As Japan's economy slid into stagnation following the collapse of what turned out to have been a massive economic bubble, however, interest in Japan waned rapidly. By the late 1990s, the concept of "Japan-passing" was being invoked to describe the dwindling of interest in the country. One possible explanation for the limited discussion of Japan in the land grab debate, then, is that it reflects a lack of interest in Japan in discussions of world politics in general. An alternative version of this hypothesis would state not so much that no one talks about Japan any more, but that the framing of discussions of Japan is now primarily in terms of decay, failure, stagnation and disaster – not the kinds of tropes that would lead one to highlight the country as a major actor on the world stage.

It is also possible that the relative scarcity of references to Japan in the land grab debate is a result of the way Japan's position in the global political economy falls, from the point of view of that debate, between two stools. Much interest in the land grab as a phenomenon derives from broader concerns about the rise of "emerging economies", in

[37] (Blas 2008).

this context particularly China and the states of the Middle East, in the global political economy. The prospect of rapidly-growing countries from the South, some of which do not have democratic governments, competing with the OECD countries for access to natural resources has motivated much of the more breathless media interest in the land grab. While much of this debate can, again, be seen as a replay of worries about Japan from the 1980s, by the time of the 2007-8 food crisis Japan was a long way from being a rapidly-growing "emerging economy". Other commentators on the land grab, meanwhile, have pushed back against this focus on China and the Middle East, pointing out that actors from countries like the United States and the United Kingdom are also deeply involved. These analyses often focus on the "financialization" of land investment and the important role that private equity funds and other financial actors are playing in the land grab. Here again, however, Japan does not seem to be a major player. To the extent, then, that the land grab debate focuses on "emerging economies" on one side and "financialization" on the other, Japan is unlikely to feature prominently.

Conclusion

The conclusions to be drawn from this paper will differ depending on which of the two empirical scenarios sketched out above the reader finds more compelling. Is it the case that Japanese overseas land acquisitions are surprisingly limited, given the size and wealth of the country's economy, its very high levels of dependence on imported food and fuels, the vast amounts of capital in Japan seeking returns abroad, the deep overseas experience of its multinational corporations, and the country's long history of public-private cooperation to secure overseas resources? Or is Japan in fact more involved in the land grab than the inventories, the media, and the literature suggest? If one takes the former tack, then this paper makes a case for a comparative political economy of land grabbing. There are already efforts in the literature to explain why some countries in the South are much larger recipients of land investment than others. This paper suggests a similar need for comparative analysis on the investor side, an analysis that would focus both on the different mechanisms that actors from different countries have used to access land abroad, but also on variance in the sheer extent of outward large-scale land investments from different countries. The question to be answered, then, would be: why is the Japanese land grab dog barking surprisingly quietly? If, on the other hand, one finds the second empirical scenario more likely, then what is needed is an analysis of the land grab debate itself, one that would focus on why the activities of the world's third-largest economy have, largely, fallen through the cracks.

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