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Japan, Factor 18: International Trade

Fixing the soon to be unfixable: the growing debt in Japan

Think about living a day in a completely different country. A place that is only a few miles away from one's home town can feel like a whole new world. Aside from the various differences between nations, we all share this planet and we stay connected. In every state there are similarities as well, consisting of people doing well financially and people doing poorly. In rural Japan a typical family consists of two parents and two children. Such a family struggles to pay the bills and to afford food. Japan is known for having good nutrition. They do so by not eating meat often and replacing it with healthier protein foods. They eat in moderation and their meals usually consist of various small portions of vegetables with bowls of rice and healthy protein substances such as tofu or fish.

The citizens of Japan are well known to be healthy and age well. The health care system plays a big role in ensuring long lasting lives. The Japanese Healthcare system tends to people's needs with a reasonable pay system: 20% of medical expenses are paid by recipients for newborns and pre-elementary school children; 30% for elementary school children through to 69 years old; and 20% for those age 70-74. The rest of the expenses are covered by the government. Being healthy is a key part in excelling in life as is getting an education. Public education in Japan is easily accessible. There are over fifty thousand schools and five hundred community colleges. Therefore a poor rural family of four is able to send their kids to school and continue to work.

The rural family run a small farm of 3.25 acres and grow rice. In Japan rice is the main ingredient for any meal. It is shown in the language itself. The Japanese word 'Gohan' is both the word for cooked rice as well as 'meal' which is also true in other Asian cultures where rice is the main dietary staple. The use of gohan in Japanese is extended with prefixes to give us *asagohan* (breakfast), *hirugohan* (Lunch), and *bangohan* (dinner). It is almost impossible for most Japanese to think of a meal without rice. Because of its high demand there is competition in the rice industry. So to stay afloat the small farm family also grows soybeans and various other fruits and vegetables. In order to compete with other farms a Wet Rice Cultivation technique is used. This method works so well because they live near water. When using this technique, seeds are planted near the water side for irrigation.

Rural families follow the old school practices of those who came before them. The methods that they use work to shorten their production time, but the tools used only make it longer. The old fashion tools used require them to use more physical energy. Due to the lack of energy when working with such tools, some crops may be overlooked. Modern tools require less physical energy and the amount of work accomplished could be improved. Modern tools will help them maintain their land and have a better lifestyle. Through international trade the rural farmers can gain access to modern tools.

International trade is seen as a financial outlet for rural farmers. It is their main source of income. The tax prices on goods are certain to increase because of the need to transport them. This harms farm families because the price on their produce will increase. High prices turns customers away from their goods. Rural farmers in Japan "feel far removed from decisions made in Tokyo, particularly Abe's commitment to join the Trans-Pacific Partnership, a massive free trade agreement that includes Australia and the United States. Japan is likely to push negotiations for protection of certain products -notably rice, wheat,

beef, and pork. Many other goods made in Kochi (a rural part of Japan) will be open to foreign competition.”(Harlon ,Chico). This is a problem for rural farmers because certain foreign goods would not be taxed. Rural farmers must compete with commercial farmers and foreign ones. If the price on goods was not equalized by taxes, it would make it harder for small farms to stay in business.

When opening more international trade barriers it is important to consider possible political and international disputes. Some countries may benefit from one decision more than another. Barriers can cause a country to be more vulnerable. If trade methods improve then it would do more good than harm. International trade will increase farmers chances of modernizing their tools by decreasing their cost. They will then have the same chance as others to prevail.

If international trade continues to be unbalanced then the Japanese economy will decline. Things have been improving with the help of the Staple Food Law that, “aims to stabilize the supply-demand and prices of staple foods.” (General Food Policy of Bureau, Ministry of Agriculture, Forestry and Fishery). This law makes sure that everyone is paid fairly for their work. It is partially the reason for Japan’s economic recovery. The economic situation is not as severe as it was five years ago and it is slowly getting better. Even though the economy is getting better there are still negotiation problems throughout the international trade industry.

The environment is not being degraded but developing countries are at a disadvantage. They can receive items that can help them with their development but in the end they can end up being in debt to other countries. Japan can also face this problem from the increase of international. They spend more on importing than they do exporting. As more industries open to trade, more things become desirable to import. An example is buying weaponry to protect themselves from future threats. Things that are desirable may not be practical with today’s finances.

Trends for International Trade are improving. Japan has reduced the amount of restrictions placed on the goods they sell. The trends are measured in the final balance for goods and the rate of the amount exported to import(E-I) during monthly trades. In comparison to last year, the rate’s difference has declined greatly. Over the past few months the rates improved from owing four million to only owing two million. This shows that Japan is still importing more than they export. Past debt adds up over time and funds are still not being produced to cover the debt.

The potential change benefits the rural family because there is a greater variety of items that can be traded. Restrictions on selling rice are being lifted. International trade helps increase the quality and quantity of the food that the rural family produce. They can spend more time preventing problems with the produce. They will not have to worry about how they are going to sell their goods.

Environmental sustainability is preserved because the family will have more time to tend to the land. They will be able to afford, letting the land replenish from time to time. This helps people by giving them opportunities to buy cheaper goods. The demand for goods opposed to the amount available prevents these ideal things from happening.

Population growth is a major barrier in international trade. Japan is the tenth most populated country in the world, with over one hundred and twenty million citizens. It is hard to provide for that many people with the limited amount of land that they have. It is the cause for the large amount of items that they need to import. Such growth harms citizens because of potential food shortages.

Japan will need to trade with caution because soon it will be impossible to get out of the debt. Relying solely on international trade to provide for a big nation is bound to cause conflicts between countries.

Without modern tools from other countries Japan can fall behind agriculturally. In order to prevent that from happening I recommend that the Staple Food Law continues to be in effect. It equalizes the prices on imported and exported goods which decreases conflicts. I propose that Japan continue to open up to more industries of trade. This will help mend relationships between Japan and other countries who believe that Japan is being stingy with their goods. It can be sorted out through the World Trade Organization.

If Japan would not, under any circumstances import more than they export than they could soon start to pay off their debts. They need to keep a set budget for how much they can spend on international trade.

A local project in Japan that could be scaled up is JTUC-Rengo. It is located in Tokyo and is a Japanese Trade Union Confederation. It has forty seven local organizations apart of it and their sole purpose is, “to defend the employment and the livelihoods of workers, and to build a democracy in the workplace.” (Role & Function, About RENG0, JTUC-RENGO). This confederation is made up of organizations that all want to defend citizen’s rights against things like low salary rates.

International trade can affect Japanese workers in a harmful way by increasing the amount of competition on their employers which results in their employers lowering their salaries in order to make ends meet. The gradual increase the difficulty to sell goods in their industry does not sit well with many citizens and this Confederation give the citizens a say. The last thing that JTUC-RENGO did was work to stop the increase of taxes on workers in October of 2005. This organization has been around since 1987. It has grown really big ever since which is proof of how much this organization can make an impact. This will motivate the country to cut down on their import spending because of the citizens' word.

Along with the Rengo confederation, those that should get involved is international research agencies. They can look into the trade trends of other countries and use that knowledge to perfect their technique. Rural families could perform their duty as key players in this by getting involved with organizations such as RENG0 and by putting a stand to this issue. Change is bound to happen due to citizens' new found awareness.

Japan as a country is known to be the fifth indebted country in the world. It is likely to get worse because of its growing population. This country’s problem may not seem as severe as others but it is climbing the ladder to debt. Focusing all of our attention on the countries that are in a major struggle is a good thing but in the end it is causing more harm than good. It causes harm once we fail to recognize the recurring pattern that other countries are facing. The attention set on one country can be greater than another if necessary but the other’s problems should not go unaddressed. Address the problem before it gets unfixable.

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