

Chapter 1 In the Beginning

1.1 What are Land Improvement Districts?

Land Improvement Districts have played an important role for the progress of Japanese agriculture in the postwar period, together with Agricultural Cooperatives. It is a farmers' organization for implementation of agricultural infrastructure readjustment projects and management of land improvement facilities.

Land Improvement Districts are provided for in the Land Improvement Law (1949). They are corporations mainly composed of agricultural workers. They are established in place of land consolidation associations which are organized to carry out land consolidation projects and ordinary irrigation associations which were in charge of maintenance and management of land improvement facilities in the past. They may, by compulsion, collect levies such as irrigation charge.

Land Improvement Districts are an operating body of land improvement projects and have, as their purpose, maintenance and management work of improved facilities. As of March 31, 2005, there are about 6,103 districts, with the area of 2,872 thousand ha, and a membership of 4,083 thousands. Land Improvement Districts are various in their scale and range from a district of very small scale of several ha to one of large scale of tens of thousands ha. But districts under 100ha account for about the half (46.3%), while districts of more than 1,000 ha only account for 10 percents (10.6%) of the whole districts.

1.2 Land Improvement Projects System in Modern Times and Formation of Land Improvement Districts

Since the dawn of history, so-called land improvement projects, projects which include land development projects and land reclamation projects, both designed to enlarge the area of agricultural land for expansion of agricultural production and irrigation/drainage projects and land readjustment projects done to increase productivity of land and labor have been implemented in Japan. Since the Meiji Era, these projects had been under the complicated jurisdiction of the Ministry of Home Affairs and the Ministry of Agriculture and Commerce. For instance, in 1890, "Irrigation Association Regulations" were enacted with the Ministry of Home Affairs as the competent authorities. It was prescribed in the Regulations that "Irrigation Association" be established to operate "projects concerning irrigation and earthwork." Establishment of two kinds of irrigation association namely, ordinary irrigation association and flood prevention association was prescribed in them. In 1908, The Irrigation Association Law was enacted in place of Irrigation Association Regulations and the irrigation administration was strengthened, i.e. "an irrigation association" became "a corporation" and was authorized to organize "a federation of irrigation associations," if necessary. Under this law, the foundation of "Flood Prevention Association" was also strengthened. It was additionally provided in Article 9 of the Law that the Association may

operate irrigation and drainage projects as a side business, if resolved by Association members and approved by the prefectural governor.

About this time, the trend to implement readjustment projects of a rice field in order to increase the productivity of land gathered momentum, and with an aim of settling conflict of interests and disputes among landlords that would hinder smooth promotion of the projects, “the Land Consolidation Law” was enacted in 1899 with the Ministry of Agriculture and Commerce as the competent authorities. This provided legal grounds for readjustment projects of a rice field with landlords as main stakeholders. The Land Consolidation Law had it as its main objective to promote land consolidation projects, for instance, by providing for compulsory participation by a few who disagreed with others and for protection of the rights of the third party. Land Consolidation Association came to be established as an executing organization with consent of at least half of the land owners in the area concerned and at least two thirds of the gross area and the total land price of such area.

On the other hand, “The Hokkaido Earthwork Association Law” was enacted in 1902 to promote development of uncultivated land as well as rice field development projects in Hokkaido whose development had lagged behind the other parts of Japan. As most of the paddy fields at the time were wet fields with imperfect irrigation and drainage system, irrigation and drainage was added as a new scope of business in the Land Consolidation Law which was revised in 1905 and land development and reclassification of land were further added in its revision in 1909, which resulted in land consolidation projects being implemented mainly as irrigation and drainage projects.

In 1914, as an increase in food production became an increasingly pressing issue, the Land Consolidation Law was revised and added reclamation of the sea and lakes and land reclamation by drainage in its provision and this expanded the line of business related to land consolidation to the scope of the current land improvement projects. In 1940, the Land Development Law was enacted for powerful development and improvement of agricultural land and Agricultural Land Development Authority was established as an executing organ. While land consolidation projects were thus expanded and strengthened, treasury grant was expanded to subsidy to operational expenses under the Land Development Subsidy Law in 1919, Outline for Aid for Main Irrigation and Drainage Channel Improvement in 1923, etc. This expansion of treasury grant started with arrangement for disbursement of necessary expenditure out of treasury under 1906 Regulations on Bounty on Land Consolidation and Improvement for survey, designing and construction supervision that had been implemented by prefectures.

In 1949, through integration of the systems of land improvement projects that had been thus made complicated, the Land Improvement Law was enacted. This Law included major provisions of the Land Consolidation Law, the Irrigation Association Law, Hokkaido Earthwork Association Law and the Agricultural Land Development Law which had been enacted up to that time. The Land Improvement Law made it clear that what the law was mainly targeted at was not the former

landlords but basically tenant farmers that had been created by agricultural land reform. It provided legal grounds to the state- or prefecture-related projects that had been executed up to that time as administrative measures without legal endorsement. It unified the enforcement and the management of facilities of land improvement projects that had been undertaken previously by two different associations: Land Consolidation Association (under the jurisdiction of the Ministry of Agriculture and Forestry) and Ordinary Irrigation Association (under the jurisdiction of the Ministry of Home Affairs) respectively. This has made Land Improvement Districts a main operating body that takes charge of land improvement projects and, one that maintains and manages the land improvement facilities. Thus, the Districts now functioned as the system that helps to drive the effects of land improvement projects to take firm hold in the area. The Land Improvement Law prescribed that the land improvement projects are, in principle, implemented on the basis of application by farmers benefiting from the projects and for the projects to be implemented, consent by at least two thirds of the persons concerned is required. Land Improvement Districts have their feature as the project system that is operated by participation by farmers in the region, as seen in its provision that the beneficiary bears a part of the operating expenses to the extent he or she benefits from the project from the viewpoint the project brings a private effect to individual beneficiaries as the nature of the project.

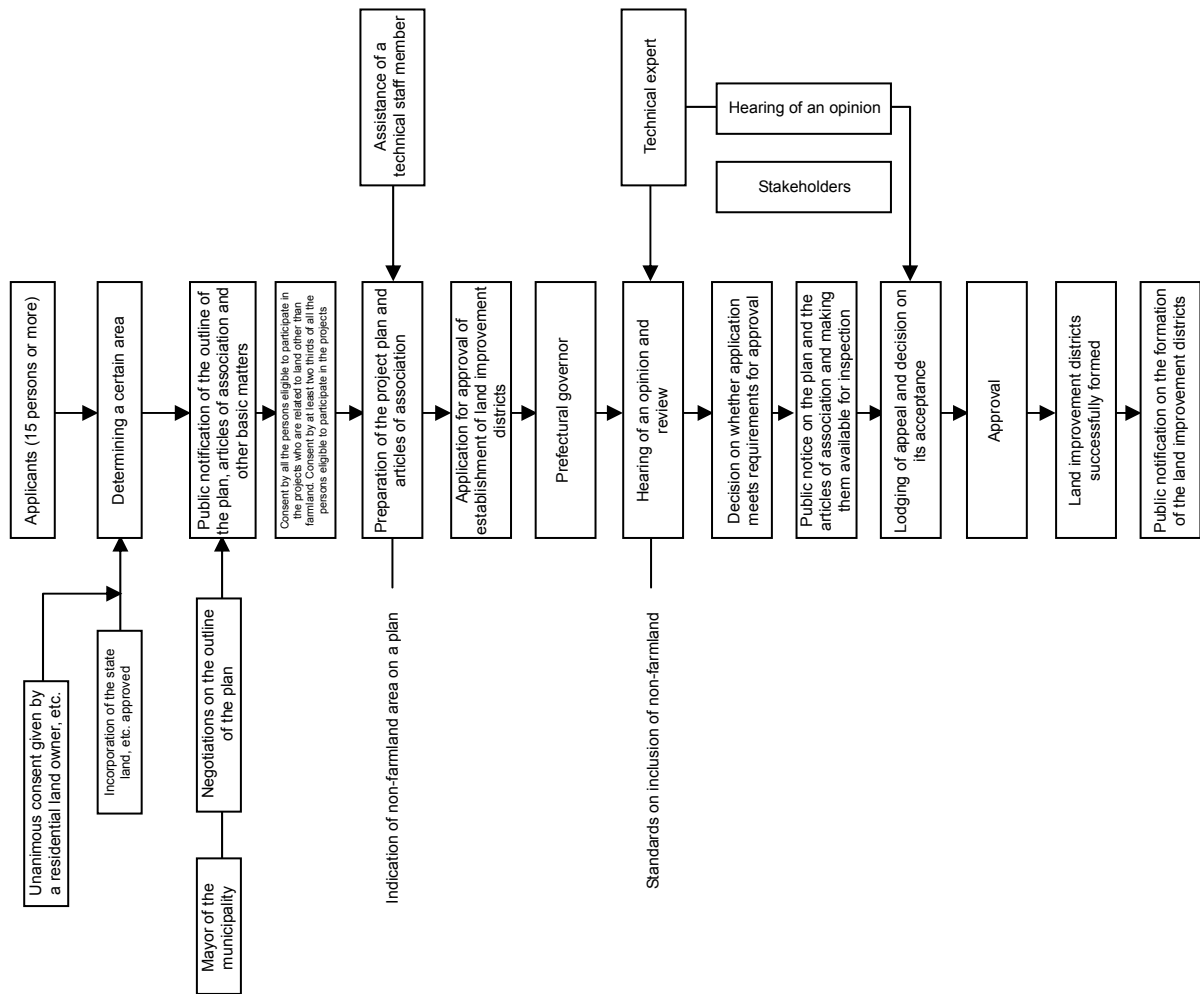
Chapter 2 The System and Outline of Land Improvement Districts

2.1 The System and Outline of Land Improvement Districts

2.1.1 Procedure for Establishment

The land improvement districts are established by 15 persons or more eligible to participate in land improvement project (agricultural workers, in principle). They fix a certain area including their land and give a public notification of the necessary matters including the outline of a plan of land improvement projects related to such area and (proposed) articles of association of the land improvement districts. After they get consent of at least two thirds of the persons eligible to participate in the projects within the area related to the execution of the project, they determine a plan for the land improvement projects and articles of association of the land improvement districts, and apply to the Governor of the prefecture for approval of establishment. The land improvement districts are then established after the approval of the governor.

Fig. 2.1 A List showing the Procedure for Establishment of Land Improvement Districts



Source

2.1.2 The Area concerned and Members of Districts

The area under the control of land improvement districts covers a certain area related to execution of the land improvement projects and all the persons in such area who are eligible to participate in the projects become a member of districts whether they consent or do not consent to the land improvement projects.

2.1.3 Land Improvement Project

(1) Type of Project

- i. Establishment and management of facilities including irrigation and drainage facilities for agriculture and farm roads
- ii. Land readjustment (including land substitution (putting of farmland to a collective use, setting-up of non-farmland area))
- iii. Creation of farmland

- iv. Reclamation, Land reclamation by drainage
- v. Restoration of farmland after a disaster
- vi. Exchange and consolidation of land
- vii. Preservation of farmland

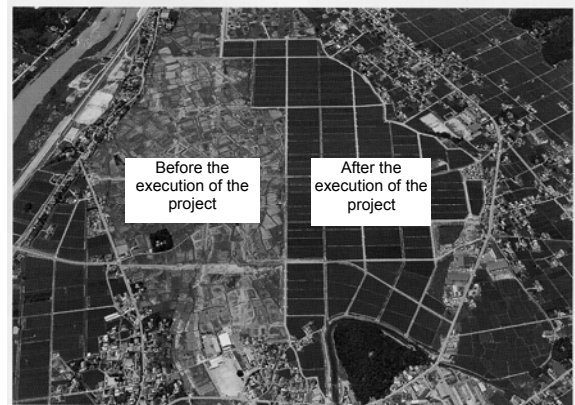


Fig. 2.2 Land Readjustment Project

Source:

(2) Person eligible to participate in the projects

1. Farmland

(a) Land used for cultivation under ownership → owner = cultivator

(b) Land used for cultivation under title other than ownership rights → Principle: cultivator

Exception: Owner in case the owner has applied to participate in the project, and the application has been approved by the agricultural committee

2. Land other than farmland

Principle: Owner

Exception: Person holding use and profit rights in case the person holding use and profit rights has applied to the Agricultural Commission with the consent of the owner

(3) Project operators

Land improvement districts, prefectures, agricultural cooperatives, municipalities, etc.

(4) Project system

Project is implemented by the project operator upon application from the beneficiaries based upon consent of at least two thirds of the persons concerned.

2.1.4 Management and Operation of Land Improvement Districts

(1) Rules including articles of association and bylaws shall be put in order.

(2) Directors (5 persons: includes 3 or more members of Districts) and supervisors (2 persons: includes 1 member of Districts) shall be appointed as officials of land improvement districts

(3) Decision on land improvement districts shall be made in the general meeting. An ordinary general meeting of land improvement districts shall be held at least once in a year.

(4) At least half of the members shall be present in the proceedings of the general meeting

and the decision of the general meeting will be made by a majority of voting rights, provided, however, that the important matters such as a change of the articles of association, application of a land improvement project, and dissolution and amalgamation of the land improvement districts shall be decided by consent of at least two thirds of the voting rights in the general meeting where at least two thirds of the members are present.

- (5) In the land improvement districts with more than 200 members, representatives' meeting may be established as a meeting that takes place of the general meeting by the provisions of articles of association. The full number of representatives' meeting shall be prescribed by articles of association but it shall be 30 persons or more in land improvement districts with the membership of less than 1,000 persons, 40 persons or more in land improvement districts with the membership of 1,000 to less than 5,000 persons, 60 persons or more in land improvement districts with the membership of 5,000 to less than 10,000 persons and 80 persons or more in land improvement districts with the membership of 10,000 persons or more.
- (6) A member of Districts shall have one voting right and the right to elect officials and representatives.

2.2 Present Situation of Land Improvement Districts

2.2.1 Transition in Land improvement Districts and their related Area

The number of land improvement districts reached its peak in 1961 with 13,163 districts but it gradually diminished thereafter. As of March, 2005, districts number 6,103 with the total area of 2.87 million ha. (Please see Table 2.1.)

Table 2.1. Transition in Land improvement Districts and their related Area

Year	Land improvement districts			Federation of land improvement districts	
	Number of districts	Area (ha)	Average area(ha)	Number of districts	Area(ha)
1952	6,302	2,095,001	332	32	71,230
1955	10,238	2,768,320	270	67	152,400
1960	13,041	3,157,730	242	138	318,992
1961	13,163	3,229,217	245	139	382,073
1962	13,146	3,289,961	250	142	350,907
1965	12,557	3,397,277	271	143	373,708
1970	11,664	3,514,391	301	137	405,447
1975	10,186	3,499,481	343	123	408,945
1980	9,031	3,431,226	380	116	417,500
1985	8,476	3,254,854	384	112	419,089
1990	8,133	3,253,048	400	106	388,433
1995	7,681	3,159,846	411	100	370,805
1996	7,573	3,139,646	415	97	364,527
1997	7,414	3,102,782	419	96	363,194
1998	7,297	3,080,347	422	93	351,857
1999	7,137	3,042,494	426	92	350,832
2000	7,004	3,014,601	430	89	342,748
2001	6,816	2,972,649	436	89	339,770
2002	6,605	2,939,856	445	85	319,602
2003	6,354	2,904,196	457	85	325,964
2005	6,103	2,870,843	470	84	325,142

(Source: Annual Report of the Ministry of Agriculture, Forestry and Fisheries, National Federation of Land Improvement Associations)

(Remarks; For establishment of land improvement districts, the principle of one land improvement district for one project had been applied until 1964, markedly increasing the number of districts due to establishment of multiple districts in the same area. However the revision of the law in 1964 which allowed the district to operate two and more projects has been putting the brakes on the increase of the number.)

2.2.2 Circumstances in which Land Improvement Districts have been established

National Federation of Land Improvement Associations has been conducting survey on the operation of land improvement districts every four year. In 2005, the Federation sent questionnaires to 6,103 districts, as establishments existing as of the end of 2004 and received a reply from 4,590 districts. Regarding the circumstances wherein the land improvement districts have been established, the survey shows those that have been newly established accounted for 63.6%, the former land consolidation associations and ordinary irrigation associations that have

been reorganized as the land improvement districts accounted for 25.4% and those that have been newly established after consolidation accounted for 11.0%. Percentage the land improvement districts stemmed from the former land consolidation associations and ordinary irrigation associations accounted for 36% and 64% respectively according to the survey in 2001. The survey of the circumstances wherein 696 land improvement districts that were newly established in Heisei Era (1989~) were established showed that 526 districts or more than 75% of the total were established with an aim of implementing land improvement projects such as improvement of cultivated land, irrigation and drainage, creation of farmland and improvement of farm roads while those established for maintenance and repair of land improvement facilities were only 135, accounting only for 19.4% of the total, i.e. many of land improvement districts were established to implement projects. According to the type of project, the survey showed that the projects of improving cultivated land comes first in number with 456 districts, which are followed by irrigation and drainage projects with 47 districts, projects of creation of farmland with 20 districts and farm road projects with 3 districts.

2.2.3 Area Scale

Many of land improvement districts have an area of small size of less than 500 ha. which account for 70% of 4,590 districts surveyed. The number of districts which is less than 100 ha in area accounts for 40% of the districts surveyed. In the meantime, the area has the tendency to become larger, albeit slightly. (See Table 2.2)

Table 2.2 Area of Land Improvement Districts

Area	Current (2005) Survey			Last Survey (2001)			Last but One Survey (1997)		
	Number of districts	Area (ha)	Component ratio	Number of districts	Area (ha)	Component ratio	Number of districts	Area (ha)	Component ratio
Less than 100 ha	1,801	82,633	3,1	2,201	100,770	3,7	2,613	115,234	4,0
100 ha ~ less than 500 ha	1,665	404,129	15,4	2,044	493,505	17,9	2,343	555,731	19,2
500 ha ~ less than 1,000 ha	510	359,343	13,7	562	401,247	14,6	601	421,570	14,5
1,000 ha ~ less than 3,000 ha	433	729,082	27,8	448	756,779	27,5	462	777,164	26,8
3,000 ha ~ less than 5,000 ha	112	427,267	16,3	110	420,133	15,3	110	417,557	14,4
5,000 ha and more	69	624,811	23,8	66	582,413	21,1	70	612,178	21,1
Total	4,590	2,627,265	100,0	5,431	2,754,847	100,0	6,199	2,899,434	100,0
3,000 ha and more	181	1,052,078	40,0	176	1,002,546	36,4	180	1,029,735	35,5

(Source: Survey Report on the actual State of Operation of Land Improvement Districts: 2005 Edition)

2.2.4 Business Management System

Of 4,590 districts surveyed, the land improvement districts that have office staff (including both all-time staff and staff working concurrently at other offices) number 3,658. The total number of their staff is 11,849 persons or 3.2 persons per district. The remaining 932 districts have no staff

and this tendency is conspicuous in land improvement district of the area of small size (under 100ha). (See Table 2.3.)

Table 2.3 Situation of How Land Improvement Districts are Staffed according to Area Size

Area		no staff	Number of districts according to number of staff										number of districts staffed	number of land improvement	total number of the staff	Average number of the staff	
			1 person	2 persons	3 persons	4 persons	5 persons	6 ~ 10 persons	11 ~ 15 persons	16 ~ 20 persons	21 ~ 30 persons	31 persons or more					
Less than 100 ha	number of districts	697	558	286	120	78	33	9	20					1,104	1,801	2,308	2
	component ratio	38.7%	50.5%	25.9%	10.9%	7.1%	3.0%	8.0%	1.8%					61.3%	100.0%		
100 ha ~ less than 300 ha	number of districts	192	519	263	106	51	26	14	10								
	component ratio	16.3%	52.5%	26.6%	10.7%	5.2%	2.6%	14.0%	100.0%					83.7%	100.0%		
300 ha ~ less than 500 ha	number of districts	30	172	150	68	38	1	10	4					454	484	1,013	2
	component ratio	6.2%	37.9%	33.0%	15.0%	8.4%	2.6%	14.0%	100.0%					93.8%	100.0%		
500 ha ~ less than 1,000 ha	number of districts	9	101	150	102	71	42	31	3			1		501	510	1,487	3
	component ratio	1.8%	20.2%	29.9%	20.4%	14.2%	8.4%	6.2%	6.0%			20.0%		98.2%	100.0%		
1,000 ha ~ less than 2,000 ha	number of districts	3	17	48	53	62	35	77	12	1	1	1	1	307	310	1,482	5
	component ratio	1.0%	5.5%	15.6%	17.7%	20.2%	11.4%	25.1%	3.9%	30.0%	30.0%	30.0%	30.0%	99.0%	100.0%		
2,000 ha ~ less than 3,000 ha	number of districts	-	2	10	13	17	17	43	20	1	-	-	-	123	123	801	7
	component ratio	-	1.6%	8.1%	10.6%	13.8%	13.8%	35.0%	16.3%	80.0%	-	-	-	100.0%	100.0%		
3,000 ha ~ less than 4,000 ha	number of districts	1	1	5	4	4	6	25	16	5	3	-	-	69	70	629	9
	component ratio	1.4%	1.4%	7.2%	5.8%	5.8%	8.7%	36.2%	23.2%	7.2%	4.3%	-	-	98.6%	70.0%		
4,000 ha ~ less than 5,000 ha	number of districts	-	2	-	1	-	1	6	18	11	1	2	2	42	42	611	15
	component ratio	-	4.8%	-	2.4%	-	2.4%	14.3%	42.9%	26.2%	2.4%	4.8%	100.0%	100.0%			
5,000 ha ~ less than 10,000 ha	number of districts	-	-	4	1	2	1	7	10	9	14	6	6	54	54	957	18
	component ratio	-	-	7.4%	1.9%	3.7%	1.9%	13.0%	18.5%	16.7%	25.9%	11.1%	100.0%	100.0%			
10,000 ha and more	number of districts	-	-	-	1	-	-	1	2	2	2	7	7	15	15	628	42
	component ratio	-	-	-	6.7%	-	-	6.7%	13.3%	13.3%	46.7%	100.0%	100.0%				
Total	number of districts	932	1,372	916	469	323	173	223	115	29	22	16	3,658	4,590	11,849	3	
	component ratio	20.3%	37.5%	25.0%	12.8%	8.8%	4.7%	6.1%	3.1%	0.8%	0.6%	0.4%	79.7%	100.0%			

Source: the same as previously mentioned

2.2.5 Situation of Activities

(1) Outline of Activities

The survey conducted in 2005 shows that 2,655 land improvement districts, or 57.8% of 4,590 districts surveyed conduct management works of land improvement facilities such as dams, head works and waterways. 960 land improvement districts (20.9%) perform construction projects such as improvement of cultivated land and irrigation and drainage projects, together with management works of facilities, 607 land improvement districts (13.2%) conduct only amortization service, 197 land improvement districts (4.3%) conduct only construction projects and other land improvement districts are classified in other categories. (See Table 2.4; Fig. 2.2)

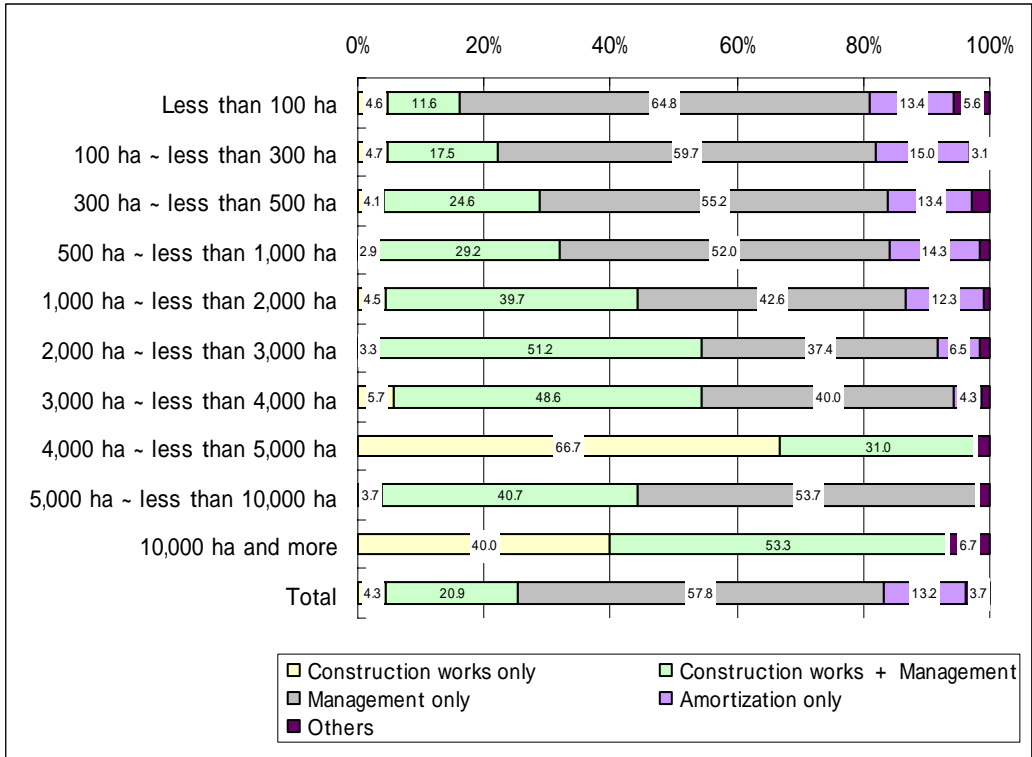
Thus, in nature, land improvement districts are more of a management organization of the finished land improvement facilities than an executing organ of land improvement projects such as land adjustment projects or irrigation and drainage projects for agriculture.

Table 2.4 Land Improvement Districts classified according to Size of Area and Principal Work

Classification	Mainly Construction works	Construction Works + Management	Mainly Management	Amortization Service	Others	Total
Number of Land Improvements	197	960	2,655	607	171	4,590

(Source: Survey on the actual State of Operation of Land Improvement Districts: 2005 Edition)

Fig. 2.3 Component Ratio of Land Improvement Districts according to Area Size and Principle Project



(Source: Survey on the actual State of Operation of Land Improvement Districts: 2005 Edition)

(2) Land Improvement Facilities managed by Land Improvement Districts

Survey conducted in 2005 shows that 4,590 land improvement districts surveyed conduct management of land improvement facilities that have been constructed and improved by various project operators including the State, public corporations, prefectures, municipalities, and land improvement districts. They are 425 dams, 8,205 head works, 26,691 irrigation and drainage plants, 21,738 drainpipe gates, 255,800 km of irrigation channels, 83 km of farm roads and 13,126 irrigation ponds. (See Table 2.5)

Table 2.5 Land Improvement Facilities managed by Land Improvement Districts

Facilities		Development operator						Number of districts totaled	Figure in the last survey	
		State	Public corporation	Prefecture	Municipality	Land Improvement Districts	Others			Total
Dam	Number	83	3	265	23	43	8	425	287	302
	Component ratio	19.5%	0.7%	62.4%	5.4%	10.1%	1.9%	100.0%		
Head Works	Number	383	5	2,826	665	2,991	1,380	8,250	1,376	1,480
	Component ratio	4.6%	0.1%	34.3%	8.1%	36.3%	16.7%	100.0%		
Plant	Number	1,113	445	11,244	743	11,911	1,235	26,691	2,355	2,591
	Component ratio	4.2%	1.7%	42.1%	2.8%	44.6%	4.6%	100.0%		
Drainpipe gate	Number	1,322	216	10,619	734	8,275	572	21,738	1,548	1,689
	Component ratio	6.1%	1.0%	48.8%	3.4%	38.1%	2.6%	100.0%		
Irrigation channel	Number	14,334	2,934	126,513	6,819	97,452	7,752	255,804	3,305	3,787
	Component ratio	5.6%	1.1%	49.5%	2.7%	38.1%	3.0%	100.0%		
Farm road	Number	3,229	148	42,005	3,030	31,877	3,623	83,912	1,985	2,194
	Component ratio	3.8%	0.2%	50.1%	3.6%	38.0%	4.3%	100.0%		
Irrigation pond	Number	768	15	2,468	1,555	4,399	3,921	13,126	1,379	1,463
	Component ratio	5.9%	0.1%	18.8%	11.8%	33.5%	29.9%	100.0%		

(Source: Survey on the actual State of Operation of Land Improvement Districts: 2005 Edition)



Dam



Head Works



Main Drainage Channel

Source: the same as previously mentioned

In 52.8% of all the land improvement districts surveyed, land improvement districts manage all the facilities by themselves. In 32.8% of the districts, land improvement districts manage key facilities while subordinate organizations such as communities and management associations and municipalities are in charge of terminal facilities. Significant portion of them, 13% leaves the management of all the facilities to subordinate organizations and municipalities.

(3) Obligation to pay management expenditure

There are various cases as to who bears the management expenditure, reflecting the peculiarities of the facilities and the circumstances of the regions concerned. In some districts, all the expenditure is paid by the land improvement districts concerned. In others, the land

improvement districts and the municipalities concerned or the land improvement districts and their subordinate organizations share the costs and there are other districts where only municipalities concerned and subordinate organizations of land improvement districts share the cost. An example of irrigation facilities is shown in Table 2.6.

As shown in Table 2.6., in 22% of all the districts that have irrigation facilities, their management expenditure is shared in some way or others by municipalities. This percentage rises to the high 32% in the drainage projects and to the high 46% in relation to farm roads. This shows the degree of involvement of municipalities that take into account the regional characteristics of land improvement projects, and ratio of specific beneficiaries to indefinite beneficiaries, i.e. public nature of facilities.

Table 2.6 Who pays management expenditure as classified according to management method of land improvement (irrigation) facilities

Management method		Direct management by land improvement districts	Direct management by land improvement districts, except for terminal facilities managed by their subordinate organizations	Direct management by land improvement districts, except for terminal facilities managed by municipalities	Direct management by land improvement districts, except for terminal facilities managed by their subordinate organizations and municipalities	All the facilities managed by subordinate organizations of land improvement districts	All the facilities managed by municipalities	All the facilities managed by subordinate organizations land improvement districts and municipalities	Others	Total	No reply
Direct management by land improvement districts	Number of districts	1,570	48	292	21	3	8	3	9	1,954	30
	component ratio	80.3%	2.5%	14.9%	1.1%	0.2%	0.4%	0.2%	0.5%	100.0%	
Direct management by land improvement districts, except for terminal facilities managed by their subordinate organizations	Number of districts	249	508	71	110	39	6	6	6	995	1
	component ratio	25.0%	51.1%	7.1%	11.1%	3.9%	0.6%	0.6%	0.6%	100.0%	
Direct management by land improvement districts, except for terminal facilities managed by municipalities	Number of districts	21	3	62	4	2	-	2	-	94	4
	component ratio	22.3%	3.2%	66.0%	4.3%	2.1%	-	2.1%	-	100.0%	
Direct management by land improvement districts, except for terminal facilities managed by their subordinate organizations and municipalities	Number of districts	15	14	30	67	5	2	3	2	138	-
	component ratio	10.9%	10.1%	21.7%	48.6%	3.6%	1.4%	2.2%	1.4%	100.0%	
All the facilities managed by subordinate organizations of land improvement districts	Number of districts	17	91	15	35	203	2	26	8	397	-
	component ratio	4.3%	22.9%	3.8%	8.8%	51.1%	0.5%	6.5%	2.0%	100.0%	
All the facilities managed by municipalities	Number of districts	-	1	11	1	-	8	1	-	397	-
	component ratio	-	4.5%	50.0%	4.5%	-	36.4%	4.5%	-	100.0%	
All the facilities managed by subordinate organizations of land improvement districts and municipalities	Number of districts	5	7	5	9	13	1	24	2	66	-
	component ratio	7.6%	10.6%	7.6%	13.6%	19.7%	1.5%	36.4%	3.0%	100.0%	
Others	Number of districts	11	5	8	5	-	2	-	19	50	5
	component ratio	22.0%	10.0%	16.0%	10.0%	-	4.0%	-	38.0%	100.0%	
No reply	Number of districts	-	-	1	-	-	-	-	-	2	137
	component ratio	-	-	50	-	-	-	-	-	100.0%	
Total	Number of districts	1,888	677	495	252	266	29	65	46	3,718	178
	component ratio	50.8%	18.2%	13.3%	6.8%	7.2%	0.8%	1.7%	1.2%	100.0%	

Source: the same as previously mentioned

2.2.6 Finance of Land Improvement Districts

The finance of land improvement districts is in a harsh situation. In Table 2.7, we show a financial position of 4,558 land improvement districts revealed by the latest survey. What we can see from this is: the permanent expenditure of ¥110.5 billion is required including the gross total of ¥58.9 billion required as operational expenses of land improvement districts such as office expenses and personnel expenses of officers and the staff plus ¥51.6 billion required as expenditure for maintenance and management of the facilities of land improvement districts. The revenue available to meet this expenditure is ¥74.5 billion as ordinary levies collected from beneficiaries plus ¥22.0 billion as subsidy for permanent expenditure paid by the State, prefecture, and municipality, totaling only ¥96.5 billion, resulting in a deficit of ¥15 billion every year. As regards redemption money for loan from public corporation funds, for necessary expenditure amounting to ¥141.6 billion, a special levy collected only amounts to ¥76.9 billion, resulting in a huge deficit of ¥65 billion for expenditure for execution of the projects and its redemption . If a current account deficit is added to this, the gross deficit amounts to about ¥80 billion. If we are to appropriate all of ¥24.6 billion reckoned up as other revenue to offset this deficit, there is still a deficit of about ¥55 billion. It is assumed from this figure that the land improvement districts are managing to get through this situation by making a new loan (¥52 billion) to cover the deficit, in other words, by shifting the debit this way and spilling out the reserve.

Table 2.7 Financial State of Land Improvement Districts

(4,558 land improvement districts)

Revenue			Expenditure		
Item	Amount (1,000 yen)	Percentage (%)	Item	Amount (1,000 yen)	Percentage (%)
Levies	151,407,178	26.4	Constant expenses	110,541,096	19.3
Ordinary levy	74,497,202	13.0	Operating expenditure	58,907,312	10.3
Special levy	76,909,976	13.4	Administration expenditure	16,851,409	2.9
Subsidies and grants	97,760,520	17.1	Remuneration for officials	5,588,259	1.0
National and prefectural subsidies	43,118,891	7.5	Staff personnel expenditure	36,467,644	6.4
Subsidies for construction expenditure	33,743,777	5.9	Maintenance and management expenditure	51,633,784	9.0
Subsidies for constant expenses	9,375,114	1.6	Repairs	19,852,218	3.5
Municipal subsidies	56,641,629	9.5	Power and heating	8,693,127	1.5
Subsidies for construction expenditure	42,024,321	7.3	Personnel expenditure	9,133,394	1.6
Subsidies for constant expenses	12,617,308	2.2	Subsidies, etc.	4,295,822	0.8
Loans	52,028,606	9.1	Contribution to rationalization projects	3,132,816	0.5
Agriculture, Forestry and Fisheries Finance Corporation	22,320,217	3.9	Others	6,526,407	1.1
Others	29,707,889	5.2	Construction expenditure	40,924,285	7.1
Other income	105,603,307	18.4	Expenditure for national and prefectural projects	44,816,261	7.8
Other purpose use fees	6,149,457	1.1	Finance Corporation etc. loan repayment	141,643,093	24.7
Settlement on exclusion from district	6,791,675	1.2	Various reserve funds	51,099,389	8.9
Contracted business fees	12,821,432	2.2	Other expenditure	40,572,675	7.1
Revenue defrayed from preceding fiscal	2,360,482	0.4	Amount carried forward	142,855,701	25.0
Others	77,480,261	13.5			
Amount carried forward	165,652,889	28.9			
Total	572,452,500	100.0	Total	572,452,500	100.0

(Source: Survey Report on the actual State of Operation of Land Improvement Districts: 2005 Edition)

2.2.7 Method for levying Maintenance and Management Expenditure

As regards the method for levying maintenance and management expenditure, more than 95% of 4,104 districts surveyed apply the method of levying per area but in some restricted areas, they apply the method of levying per weighed area (weighed by grade of land* :29 districts; weighed by elevation of land: 2 districts) or the method of levying per volume of water (17 districts) or the method of levying per project expenditure (15 districts).

* Method of levying per grade is by dividing the beneficiary district, for instance, a paddy field into upper grade field, medium-grade field, etc., thereby, taking into account their relative or comparative superiority as a paddy field.

2.2.8 Collection of Levies

In operating their business, Land Improvement Districts collect expenses they require for operation of their offices (ordinary levy) and expenditure they need to repay their share of cost for implementation of their projects (special levy) from beneficiaries in the district (district members) every year. The Secretariat of Land Improvement District calculates the amount of levy to be collected from each beneficiary based upon the proposed plan of activities and the draft budget approved for the relevant fiscal year, it forwards a statement of payment to every beneficiary for collection. Taking Hino River Irrigation District in Fukui Prefecture as an example, the District brings levy items together into one statement in which it clearly indicates the amounts of ordinary levy and special levy. The statement is sent out at the beginning of June when irrigation service is started, with the deadline for payment set on June 30 for ordinary levy and on December 20 for special levy. It is said that there is no incentive for early payment and default interest is payable on belated payment. The Land Reform Act has a cultivator as a principal person eligible for membership in Land Improvement District. In the recent agricultural administration, however, there is an increasing anticipation for concentrated utilization of agricultural land by supporters and there are efforts being made to find what flexible response we can produce as to the method of imposing levy along with such trends of agricultural administration.

2.3 The Problems Land Improvement Districts have and Response to them

2.3.1 Their Place in New Agricultural and Rural Policies

In 2005, New “Food, Agriculture and Rural Area Basic Plan” was formulated based on New Agriculture and Rural Area Basic Law in order to cope with a sharp change in social structure due to aging and declining population of children and with progress in globalization and development of a computer network. This new Plan described “Policies on sustainable development of agriculture” and “policies on advancement of rural areas” as priority policies.” The former included bringing-up and securing of supporters, developing and getting hold of human resources, promotion of effective use of farmland, establishing measures for stabilization of management, improvement of infrastructure of agricultural production and maintenance and promotion of functions of natural environment. The latter included building-up of conservation and management policies of regional resources, activation of rural economy, coexistence of and exchange between urban areas and rural areas and promotion of participation of a variety of operators. While these priority policies were described, the Plan set out “policies on reorganization and improvement of organizations” such as land improvement districts and agricultural cooperatives, in developing the multilayered agricultural and rural policies. It pointed out the tight environment that surrounds land improvement districts and other related organizations. In order to develop activities under such severe situation and to take on the responsibility expected of them more than before, land improvement districts are called upon to remedy a deficiency in the system, make a self

renovation and regenerate themselves as a new organization that is suited for development of a new policy.

2.3.2 Points at issue concerning the management of land improvement facilities

- 1) Increased responsibility to manage
- 2) Increased management expenditure
- 3) Decline in technical power of land improvement districts
- 4) Limit that district members face in sharing a burden
- 5) Generating awareness of districts as a regional asset

2.3.3 Survey on intentions possessed by Land Improvement Districts

During the last 5 years, the survey on operation of land improvement districts has examined the points at issue concerning operation of the districts and their proposed measures to cope with the issues. This shows a true picture of land improvement districts that face critical problems such as shortage in annual revenue, difficulty with securing officials and the staff, indifference of districts members and a decline in level of management service. The survey also examined the proposed measures to cope with such points at issue. They are nothing but a commonplace proposal to rationalize operation of land improvement districts by amalgamation or coordinate with municipalities and □ secure budget receipts by increasing levies and the future situation of land improvement districts cannot be taken lightly. (See Table 2.8.)

Table 2.8 Points at issue of Land Improvement Districts and proposed measure to cope with them

Points at issue	Percentage (%)	Proposed measures to cope with the issues	Percentage (%)
a. Difficulty with securing constant expenditure	21.9	a. Promote amalgamation and improve efficiency of operation	24.2
b. Difficulty with collecting loan redemption money	7.1	b. Positively coordinate with municipalities	32.5
c. Failure of district members to cooperate	14.0	c. Participate positively in new projects	23.5
d. Nobody want to be an official of the districts	12.5	d. Raise levies and secure operational expenditure	15.6
e. Shortage of staff members	5.1	e. Others	4.2
f. Increasingly slovent management of terminal facilities	11.8		
g. Arrears of payment of levies by a person with rights to use	3.8		
h. Arrears of payment of levies by non-resident members in the neighborhood	9.0		
i. Others	2.5		
j. Nothing to say in particular	12.3		

Remarks 1: For points at issue, replies (multiple) from 4,434 districts were totalized.

Chapter 3 Tomorrow of Land Improvement Districts

Land Improvement District has hitherto promoted an immense volume of land improvement projects by participation method of beneficiaries and contributed to the development of regional agriculture through management of land improvement facilities that have been completed by the projects. The activities of land improvement districts have enhanced the value of “land,” and “water,” important resources for the region and “local communities” but the rural area that has suffered from rapid progress of mixed residence, increasing depopulation and aging due to recent urbanization has lost its vitality and this poses a critical menace to the well-balanced development of the national land. In this situation, land improvement districts are called upon to positively make use of a huge volume of experiences they have accumulated as supporters of regional development of participation type and grow out of their old style to the organization that supports the future of the region. More specifically, in addition to their traditional role as an organization to deal with land improvement projects, they are urgently requested to put into practice the activities that enhance their presence in the local community, thereby making their presence strongly felt in the community.

3.1 Developing the region by giving full play to their individual character

Activities of examining the region by participation of the residents including non-agricultural workers, regional plan making, cleaning activities of the region



Planning by residents, giving full play to individual character of the region (Aomori Prefecture)

Source:

3.2 Making use of multifaceted functions of land improvement facilities for local community

Water channels for agricultural use that give attention to a ecosystem, their utilization as water reserved for fire-fighting, provision of area at the waterside, etc.



Source:

3.3 Activities of cohabitation between town residents and villagers
Promotion of exchange activities between town residents and villagers
Support to green tourism



Families from towns join farmers in rice reaping (Chiba) Prefecture

Source:

Reference Data and Source

- (1) The Ministry of Agriculture, Forestry and Fisheries “The Basic Law on Food, Agriculture and Rural Areas.”
- (2) The Ministry of Agriculture, Forestry and Fisheries Minutes of “The 5th Studying Meeting of the Land Reform System.”
- (3) The Ministry of Agriculture, Forestry and Fisheries “Annual Report of the Ministry of Agriculture, Forestry and Fisheries.”
- (4) National Federation of Land Improvement Associations
“Survey on the Actual State of Operation of Land Improvement Districts: 2005 Edition.”
- (5) Nakano Library “Arable Land Readjustment Law (Law No. 30 of 1909).”
- (6) Existing Law “The Land Reform Act,” Law No. 195 of 1949,
“Enforcement Ordinance of the Land Reform Act,” Law No. 196 of 1949.
- (7) Shizuka Kikuchi “A Study of Establishment and Transition of Traditional Regional Organization related to Rivers.”