

Down on the Farm

Homesteading In Japan

I don't know if anyone has ever considered homesteading in one of the most densely populated expensive countries in the world. Japan probably does not come to mind when considering buying a farm or developing a piece of land, but because of some interesting demographics and economics, Japan should be on anyone's list of possibilities if homesteading is your desire, especially if you have or plan to have children. I will tell you why.

To anyone who has visited or even thinks of visiting Japan, the images of Tokyo skyscrapers and oozing masses of people crammed into dinky dwellings that rent per month for more than a years wages in many countries, comes to mind. But there is another Japan. I am talking about rural Japan, outside of the cities.

Here the air is clean, water is pure, homes are bigger, land is available, living expenses are a fraction of what they are in the cities, the people (almost) friendly, and some local governments will actually pay you to live in their village. I am not kidding.

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Granted it is not enough to get rich on, but, believe it or not many localities are falling all over themselves to recruit families especially with younger children, to move to their town. They are offering all sorts of incentives and assistance to try to "revitalize" the countryside.

The reason for this is demographics. To start with, Japan has one of the lowest birthrates and highest life expectancies in the world. Something like 1.54 children per couple (I know the joke about the half kids

running around). There are not enough children being born to support the increasingly aging population. Many folks are quite active in their 80's and many live well into their 90's and beyond. Not enough taxpayers to support the elderly in their retirement. The other reason for this is for reasons that are too complex to go into here, but basically young people prefer to not live or remain in the rural areas. The economies of these areas are usually agriculturally based and the cities and bright lights with better paying more glamorous jobs tend to attract the younger people. So combine these two factors and what you have left are many, many small rural towns and villages (10,000 people or less) losing more and more of the younger, tax -paying, productive citizens, (with fewer being born all the time).

This leaves an increasingly aging population of retired or semi-retired folks taking advantage of more and more social services in their 'golden years'. In 10 years or so, many of these localities will essentially be nursing homes or will cease to exist altogether.

How about Having Your Baby in Japan

The national government recognizes the problem these communities and really the whole nation faces and have come up with a bunch of **"action plans"** to try to turn things around. The national government will give a grant of 300,000 yen (about \$3000.00) to any woman who has a baby in the country. Local governments sometimes kick in additional amounts. The village we live in matches the 300,000 yen so a total of about \$6000.00. This usually more than covers the cost of having a baby in a hospital. In fact I have heard of people actually making money on this by going to a mid-wife who charges less, shopping around for hospitals, reducing their stays in the hospital so reducing costs, having their husbands bring them boxed meals during their hospital stay, and many more ingenious cost reducing ways to have a baby and make some money. This might even be a good business for any experienced midwives out there. Some localities give more, some give less.

Then the local and national government gives free medical and dental care for the

child for the first three years of his/her life. Even if the child is born with a serious birth defect and needs constant hospitalization. They are discussing raising this to the first five years or until the child enters elementary school, but this may be a few years away. Then on top of this the government will give you 5000 yen per month for 5 years for having the child. If you have two, you get an additional 5000 yen per month. For your third child they will give you 10,000 yen per month and this amount for each additional child. I know of one religious family in another part of the country who farmed and actually lived off this allowance. **They had 7 children!** The condition is that the family must belong to the National Health Insurance program though. This may be a turn off for some people, but I can add that is it quite reasonable and the cost is based on income. They take anyone foreign or otherwise, and ask no questions about pre-existing conditions. I will go into more of this later.

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Various localities in our area of the country try to entice families with children by offering various incentives and enticements. It would be impossible here to detail all the various programs around and I should add that most localities offer nothing **"official"** or do not publicize what they do offer, and certainly all places are not teeming with possibilities, but I can give a few examples with which I am personally familiar. One aging mountain village in our area offers a one time cash incentive of Yen 30,000 per child inserted into the public school system, along with subsidized housing and a **"travel expense"** allowance of Yen 40,000 per month for the time resided in the village. There are conditions however. You must agree to stay in the village for at least 5 years and if you leave, all money received must be returned. This sounds good, but they only offer it to families where the main breadwinner is under age 40. School children receive a small **"allowance"** for school expenses and

free bus pass. We lived here for a year until we found something better. Another former mining town, mountain village in this area offers free or subsidized housing **(again cost based on income)** to families with elementary school age children who will reside in the village. They also offer a "dormitory" facility for Elementary school or Junior High school age children complete with all meals and a couple of "mothers" to supervise. This might be ok for some people, however the housing is quite run down and would be very cramped for most westerners. It also seems to appeal to families with 'troubled' children who don't fit in other places. There is no such thing as 'farmland' here as the whole village is situated on very steep, carved out, rock face. Another village we looked into will rent out old unoccupied homes that the local government has purchased for very minimal rent, something like 5000 to 10,000 yen per month, again based on income. We really liked this place. The drawback here is that a person already living in the village must 'sponsor' or be the guarantor for the family moving into the village. Unless you are a blood relative of someone already residing there, the chances of finding someone willing to be a guarantor are remote. In some places the village office itself will be the guarantor if the person/family desiring to relocate there can offer something the village wants and needs. A factory or job producing enterprise is best, a language school or educational business is also good. An investment and commitment of some kind is what they are looking for. Several municipalities will give you a house to live in, yes, really give you a house, but look carefully at these, they often need major repairs or renovations, a new roof, complete re-wiring, etc., major bucks. The other side of this is that many people (myself included) may have romanticized about living in an old Japanese farmhouse complete with sunken charcoal hearth **(the house we now occupy was built 200 years ago)**. The reality of living in this sort of home is another matter. They never heard of insulation or indoor plumbing in the Meiji period. I do know of one foreign person who purchased an old farmhouse and painstakingly restored it to its original condition himself complete with thatched roof. Wow! Another place I know of will 'give' you the land to build on, yes give it, but you must build on it and must agree to live there for at least 20 years. There are myriad's of programs as many as there are villages trying to revive themselves, or breathe their last breath. Look them all over carefully before you decide. Ask yourself 'Do I really want to spend a major part of my life **(and/or net worth)** in this country and place?' These are hard questions.

Another option is the '**unofficial**' route. Pick a rural location you think you might want to reside in, go there and check into the local 'ryokan' or inn. Ask for weekly or monthly rates. They all have them but you may have to stay in a room in the back or attic to get something reasonable. Spend some time in the village and try to get to know some people. Set up a daily routine. Shop at the same shop for a few days in a row, the proprietor will most likely ask you where you are from and what you are doing in their village. Be friendly and tell as many people as you can what you are looking for. Possibly they may mention '**so and so**' who may want to sell or rent out the perfect place you are looking for. The language barrier is the biggest obstacle to overcome this way though. Those blasted local dialects! Someone may be willing to be a translator though, a local English enthusiast, and make friends with him or her. One advantage of this method could be that you could keep a degree of privacy this way, but have no doubt the local officials will sooner or later find out about what you are doing. How they react to this will depend on many things, mainly whether you are perceived to be a plus or minus to the local community, what you are actually doing, and whether there are any complaints. Most likely they will just leave you alone if you are law abiding. Give a little gift (not

money) to the local policeman and introduce yourself. For God's sakes, don't throw out glass bottles on aluminum cans trash day! This will get you in hot water quicker than impregnating the mayor's daughter. Maybe these things are common sense to the experienced traveler.

In our case, we looked long and hard for the 'right place.' In the rural areas of this country, because of the dying off of property owners without heirs who are willing to 'tend the land' there is an abundance of small parcels of land which the owner will gladly rent or lend for free just for keeping the weeds down. Keep in mind that you can build almost any kind of structure without much interference (zoning laws really don't exist as long as you don't lay a foundation), but you will be expected to restore the place to its original condition if you leave. There are also a lot of empty, unoccupied old farmhouses that could be purchased or rented. Renting is difficult because of the screwed up Japanese rental laws that grant most rights to the occupants. Finding someone willing to rent is difficult, but not impossible, we did finally. I personally recommend renting over buying as this keeps the local officials uninvolved, keeps your tax exposure down, and so limits your risks and profile. We are currently in the process of establishing a blueberry and raspberry farm on reclaimed land. We also rent a persimmon orchard and manage that. I am currently investigating a kind of Peruvian Potato that is popular among health food enthusiasts and getting top dollar at the moment, which supposedly grows well in our local area. Almost everyone around us in this part of the country raises the big Kyodo table grapes. Other grapes are a possibility, a wine grape vineyard is another if this is your dream. There are some local wineries in the vicinity, why not start one. Foreigners can attract a lot of attention in Japan if they want to.

How To Keep Expenses Down

It is true; Japan is probably the most expensive places to live in the world. But as I have already mentioned, life in the countryside is a fraction of what it would be to have the same standard of living in the city. Rents and property prices are very reasonable, land is plentiful, and homes are large. In our area, water is supplied by a 'cooperative' and it is a set rate per year (6000 yen) no matter how much you use. There is no sewerage. I know people who pay 5 times more than we do just for water and sewer in the city nearby. Electricity is reasonable and dependable.

By far the biggest expense especially for families with children in this country is food. Food is very expensive and there are no 'food stamp' programs to help those with low incomes. On top of that is a 5% sales tax on everything purchased **(to pay for the aging population we are told)?** This adds up. However living in the country and having land to cultivate has enabled us to greatly reduce our food bill. We are pretty much self-sufficient in fresh vegetables and most fruits, including wheat and grains which we process and grind ourselves. What we can't grow or produce on our own we barter for. We raise chickens for meat and eggs. We currently exchange those eggs for milk and butter from a small producer in Nara pref. We exchange eggs for rice from a family in Kyushu, charcoal from another guy, different things from people all over the country. The parcel package business is very competitive here and very efficient. In a country this size most things arrive in one or two days. The cost is very low, 400-600 yen to send a 5 kilogram box of produce to almost anywhere in the country.

We came into contact with these people through the Internet. By not exchanging cash means we can take advantage of the cashless system to increase our standard of living. Most people we exchange with produce their own products so add much more value (as we do) than you can get for an equal amount of a purchase in a store paid for with cash. This also circumvents the sales tax, income tax, property tax, system. We deal directly with the people who consume the things we produce. As I mentioned before many things such as health care, school tuition, income taxes, among other things are based on income, the more you make the more you pay, or more correctly, the more you report you make the more you pay. I should mention I am not by education or temperament a tax specialist, but I have never paid any income tax in this country. I never made enough to have to. I do this by keeping my reported income below a certain level and thereby stay off the 'radar screen' of the tax officials. This also reduces various expenses, which are income based. The barter system works well, as (at least not yet) bartered goods are not considered taxable (**as they are in some countries**). Many people who have their own businesses and work on a cash only basis keep two sets of books. One for the tax man and another under the 'futon.' This works because rarely does anyone get caught, and no one goes to jail for tax offenses in Japan. If they do get caught there is usually just a heavy fine to pay. Here is where keeping a low-income tax profile keeps you out of trouble. Many expenses can be reduced by not owning real estate also. Owning property in Japan attracts attention. We rent our home and lands we use and prefer this. To those dedicated to amassing financial wealth there are other ways. Don't keep your money in Japanese banks; they pay almost no interest anyway. We move whatever we can overseas in a civilized way. No paper trails are best, but the authorities seem to be more concerned with what enters the country and are not concerned so much with what leaves. Korea is a convenient jump and popular bank account tax haven for the cash burdened, over taxed (50% bracket) Japanese. Overseas assets and income from outside the country are not taxed unless they are brought into the county I noticed recently neither Japan nor Korea, or any other Asian nation for that matter is on the OECD bad boys list. I guess that means they are not looking in this direction yet.

How About Starting a Business

We are encouraged by the growth of the Internet in this country and with the efficiency of the package delivery system and infrastructure, I feel confident we can reach a significant market directly without ever having to go through a '**traditional**' distribution system. As I mentioned, we are in the fresh fruit and produce business. Many other possibilities come to mind. How about an import/export business for perpetual travelers out there. Foreign and especially Western antiques, old coins, stamps, letters from past presidents and prime ministers are very popular and get a good price here, especially from around the WWII era. These small items can be transported or shipped pretty easily. How about growing flowers and selling them over the Internet. Fresh cut flowers command a pretty price in the markets. There is even 'cool' package delivery if desired. Most westerners I know of go the English school route. This is easy to do on very little start-up money and can be done from home. In fact if you settle in a rural area where there are few or no other foreigners teaching English, people will knock on your door to ask you to teach them and/or their children. This only takes a few hours a week and can be a very lucrative side business or main occupation, again 'cash only.' It also helps you to meet people and make friends in the local community, which has advantages.

The Drawbacks

No doubt about it, there are many drawbacks and obstacles to overcome to set up a life in Japan, the language being maybe the first and biggest, but if you are dedicated to learning it, which may take a few years, anyone can learn Japanese (If I can, anybody can, believe me). It is just a lot of sweat, but like anything else can pay big rewards. If you want to take on this challenge I recommend a personal starting age of fewer than 40 for most people. Another hurdle is the visa for immigrants. Japan is not considered an 'open' country willing to accept immigrants. While there are many here illegally, the authorities tend to be very strict and unbending when it comes to the visa process. Most people go the 'work visa' route at first. Find a job in a language school willing to sponsor you for the visa. This is usually good for a year, but can be renewed indefinitely. When your contract is up with the school, go out on your own, part-time at first if you like, or start your own school. There are ways to sponsor yourself if you set up your own business, a guarantor can be found who will sponsor you for a fee or nothing if they are a friend. This is someone willing to be 'responsible' for you while you are in the country. Another way is to be married to or marry a Japanese national. This gets you the '**spouse**' visa. This is the most trouble free, but marriage is not for everyone I understand. A 'business arrangement' can be made with someone willing to marry and is quite common nowadays. Another option is the 'perpetual traveler' method. Americans can enter the country without a visa and stay for 90 days. This means every three months you just 'take a business trip.' A quick hop over to Korea and back can be done in a day. I know one foreign bar owner in a large city who did this for years! And may still be doing it. He bought various things on his 'trips' like antique items, brought them back to Japan with him, displayed them in his bar, and sold them to his patrons and more than paid for his trips. All legal, probably prohibitive for families though. By the way, establishing a 'drinking establishment' is very easy; all you need is the place. There are no licenses or special registrations required. If you serve food a 'food handlers permit' is needed but can be easily obtained. They can be very lucrative, for foreigners. The Aussies and Kiwis have the 'working holiday' visa available. I think this is renewable for 3 years or so.

There are drawbacks in other areas, but these usually are personally related. You may not be able to get just the right color of lipstick, or watch your favorite sports team on Monday nights, but I think most people, if they are even a little flexible and persistent, can find pretty much anything they want here whatever it is. Japan is a first world country with a high standard of living, which ranks #4 in overall quality of life after Finland, Canada, and the U.S. A very good health care system unless you need an organ transplant (**but this is coming**) available at a fraction of the US health care cost if you join the National system. Where we live in Yamanashi pref. About 100 kilometers west of Tokyo, the biggest thieves are the crows and foxes and an occasional wild boar. There is no crime. We don't bother locking anything ever. The neighbors watch out for each other. Our kids do well and get along in school and the school is happy to have them. But other horror stories of experiences for foreign kids or children of international marriages in public schools are in abundance. Here there are no drugs. Personal litigation is unheard of. If you are wronged, you may just lose out though; on the other hand there isn't everybody with a lawyer in the family getting rich by suing anybody who has anything. A good used Japanese car can be had for a song. In fact I have had people several times over the years give me their vehicles simply because they didn't need them anymore. Inspections are the difficult thing here though. I don't think we have ever

bought clothes for the kids, people have given us boxes of kid's clothes they didn't need. Most things I needed, like farm tools and machinery, I have received from people who didn't want them, or were retiring and just didn't need all the stuff they had accumulated over the years. A simple existence helps. Winters are mild by any North American standard, an occasional snow that soon melts. Summers are hot and humid but because of our higher elevation (**about 800 meters**) we don't need air conditioning and it always cools off enough to be comfortable in the evening. Besides big old Japanese farmhouses never need air conditioning. The government is a stable democracy; the economy is big and starting to improve. We are concerned with a major earthquake though and have taken precautions in case 'the big one' hits. But I would much rather be here than in the city when and if it does come. Japanese people are somewhat aloof, but at least they will leave you alone if you prefer. Friends are sort of hard to make. There is none of the 'local price' 'foreigners price' stuff I found in many countries I have visited.

All in all, I guess most things can be accomplished here if one is willing to put in the effort, but really, isn't that true anywhere?