

3 CURRENT TREND OF REGIONAL DEVELOPMENT IN JAPAN

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1 Comprehensive Development Plan in the "Low Economic Growth Age"

The most urgent task for Japan after World War II was to reconstruct its economy. Fortunately, the Japanese economy recovered favourably and Japan entered the "age of high economic growth" supported by world prosperity. Owing to the "oil shock" caused by OPEC's decision in 1973 to raise oil prices, the age of high economic growth came to an end. The Japanese economy suddenly plunged into depression and in 1974 experienced its first negative growth rate. Under such circumstances, the "Third Comprehensive National Development Plan" was formulated in 1978.

This plan aims basically to develop and improve systematically the so-called "comprehensive environment" for human habitation. The object is to have a stable, healthy and cultural environment, with harmony between people and nature based on historical and traditional cultures and making the best use of local regional characteristics.

To achieve these objectives, the third plan advocates the "Integrated Residence Policy" which aims to develop and improve the environment for human habitation by controlling the over-concentration of population and industry in big cities. At the same time, it promotes local industries and tries to tackle the underpopulation problem in the rural areas in order to achieve a well-balanced utilization of national land. The comprehensive environment for human habitation, as defined in the third plan, requires harmony between the natural environment, the living environment and the productive environment. Also, as the plan points out, in order to secure stable habitation the basic requirements are the development of employment opportunities, housing and other facilities related to the daily lives of the people, education system, cultural activities and medical services.

Both central and local governments have been suffering from a shortage of funds since 1975. In order to deal with this situation, they issued a great amount of government bonds on the one hand, and on the other, they reformed expenditures and reviewed their administrative and financial operations.

At the end of the 1983 fiscal year, however, the amount of total debt of the central government stood at ¥110,000 billion and that of all the local governments combined came to ¥57,000 billion. The national tax revenue for the 1984 fiscal year is expected to be ¥36,000 billion while the local tax revenue is expected to be ¥20,000 billion. Therefore, both the central and local governments owe a debt to three times their annual tax revenues. This fiscal crisis has become the stumbling block against the promotion of regional development from the point of view of finance.

New Regional Development Policies(i) Vitalization of Regional Economies

The Ministry of Home Affairs is now promoting a new policy for the "Vitalization of Regional Economies".

This policy aims at:

- (a) Development of the rural economy in a region;
- (b) Vitalization of not only the economic policies of the local government but also the activities of the private sectors; and
- (c) Vitalization of and utilization of manpower, technology, information, intelligence and natural resources.

(ii) Special Urban Renewal Programme

This year, the Ministry decided to promote a new, special policy called the "Special Urban Renewal Programme". This policy aims at supporting the programme of local government to make their urban areas more attractive and comfortable for human habitation. Support for local governments will be both technical and financial.

(iii) Technopolis

Recently, the central government proposed a new regional development policy, generally known as the "Technopolis" policy and the "Technopolis Act" was enacted last year. This technopolis development policy aims to introduce the vitality of the frontier-technology industries (eg electronics, biotech-industry and new-materials industry) into the development of local regions. The policy's aim, in other words, is to make the Japanese industrial structure more knowledge-intensive and more highly value-added.

4 Regional and Local Development towards the Year 2000

Forecasts of long-range prospects for social change in Japan towards the year 2000 show that we will have a population with a high proportion of old-aged people, further urbanization of society, more active international cultural and economic exchange, continuing moderate economic growth and so on.

(i) Firstly, as regards the aging population, it is often pointed out that our society is aging at a high rate unprecedented in the world. In approximately 30 years, the percentage of the aged over 65 years old is likely to amount to 22% of the total Japanese population, which means that Japan will reach in only 30 years the same level which took the European countries almost 100 years. With the aged accounting for about one-quarter of the population, we will have to formulate administrative policies taking this factor into account. Besides such things as the pension plan, we will have to tackle such problems as the employment of the aged, and the development and improvement of the living environment to meet such a situation. This requires, particularly, special consideration by local governments, regional organizations and communities.

(ii) Secondly, in regard to the further urbanization of society, time and distance will become shorter throughout Japan with the revolutionarily development of communication networks such as INS (Information Network System) and CATV (Community Antenna Television) and so on, as well as the increased construction of transportation networks such as high-speed national railways, highways and airports. As a result, since the tendency of people to settle in regional cities is likely to steadily continue, we will have to improve urban facilities, especially in these regional cities, and to recognize the

functions within a region as well as among regions. We will have to link up the vigorous cities with the slow-moving rural areas to build greater regional zones which are unique in terms of tradition, culture industries and so on.

(iii) Thirdly, international cultural and economic exchange will be deepened and strengthened through the rapid development of the international transportation and communications network. Accordingly, each region in Japan should adequately include internationalization in its regional development plan, and to promote a wide range of international exchange. The aim should be to create a unique and attractive regional society from an international point of view.

(iv) We are not likely to have another age of high economic growth, though we may have another boom or depression given the limited natural resources in the world, the limitation of exports due to the world economic situation and so on. Consequently, since we cannot expect much by way of ordinary increase in tax revenues, one of the pressing issues for local governments, as well as the central government, is how to make the best use of their limited financial resources.

In conclusion, the future of Japan's regional development depends on how local governments plan and implement original and creative policies, making the best use of regional characteristics. Such a direction requires the further promotion of administrative decentralization for regional and local development.

4 NEW REGIONAL DEVELOPMENT IN JAPAN

In Japan some of the towns and villages began to flourish in their own provinces without depending on the Central Government. In this program, such new enterprises will be observed in the examples of three provinces in Japan. First, Ikeda-cho in Hokkaido, second, Oita prefecture, and finally, Oki-island in Shimane prefecture.

Recently, the expression of "the reconstruction of the town" came to our knowledge. What is it? About sixty per cent of the all municipalities are annoyed by their depopulation because the young are attracted by city life and leave their home towns. Therefore people remaining in their villages and towns are making efforts to reestablish their communities.

People at Ikeda-cho in Hokkaido seemed to anticipate depopulation thirty years ago. According to Hiroyuki Iwata reporter, Ikeda-cho operates Cable Television by the town itself and became famous for its Cable TV as well as its wine. Almost all of the entire population of the town of 12,000 are able to listen to detailed information about the town. The residents are audience as well as performers in a television broadcast. Such a television station has been operated by the profits of the wine enterprise for the past ten years. As to the wine product Ikeda-cho ranks fourth in Japan. There is a story behind the success of the wine-enterprise.

In 1955 the village suffered from cold-weather damage. Then a town headman, whose name is Mr. Kaneyasu Marutani, continued to ponder how to reestablish agricultural earnings. He kept an eye on the hills which were thick with wild grapes and thought that it might be possible for grapes to grow in the land. Consequently he was struck with the idea of both grape cultivation and wine production. In the case of the manufacturing process of wine, the young people took leading parts. They were sent to Europe to acquire new skills and broaden their knowledge to make better wines. The system of studying abroad has been continued for some of the residents and the personnels in the town office. Both brandy and sherry have also been manufactured. The business was extended to produce beef, processed meats, and dairy products. Then, a catch phrase "Wine and beef in Ikeda-cho" was born. The restaurant, which is owned by the town, established many branches in Tokyo and Sapporo. The chef of each restaurant is trained abroad and his employees are all former residents of Ikeda-cho. In the past, Ikeda-cho did not have any resources for sight-seeing; however, more than 600,000 tourists a year visit the restaurants nowadays.

There are a few special features in the town: the residents try to avoid waste and to make good use of the things around them, for instance, when the public institutions are built, the waste materials are utilized, and the resi-

dents cooperate with the construction works. Another special feature of the town will be observed in the public welfare facilities for the aged. The aged find their life worth living in the institution, being felt security and protection. The aged are encouraged to manufacture pottery. If the pottery is sold, the aged will receive half of the selling price as pocket money, and the rest of the amount will be used as operational expenses for the production of pottery.

Now, let's turn our attention to the situation of Oita prefecture.

Oita prefecture was once famous for its Beppu hot spring resort and the Takasaki mountain with many monkeys. Nowadays, Oita prefecture gives people a different and favorable impression. First, the residents have made every effort to produce one or more specialities in each town and village. Second, the local industry began to apply high technology. For instance, some of the I.C. and the Camera industries have extended their business around the local airport.

Last month, the O.E.C.D. (Organization for Economic Cooperation and Development) conference was held in Tokyo under the title of the reexamination of local development. In the conference, the Governor of Oita prefecture asserted that we are in a period of local management. "When I became the governor, I made a definite plan. Each town and village should produce at least one speciality, and its product must have enough distinctive features to receive a high reputation from the domestic markets and the foreign markets as well." Here are several examples how these campaigns dramatically changed the regions.

Nakatsue village with 1900 population was known as one of the village which had depopulation problems. The residents happened to think of turning the closed mine into the underground museum. As a result of it, about 60,000 tourists visited the museum a year. The Kunisaki peninsula was famous for its Buddhist stone monuments. In the past thirteen years the region was gradually industrialized since a new Oita airport was built. And more than sixteen enterprises such as Canon, Sony, MRC in the United States, NEC, Toshiba etc. extended their business around the airport. The Governor of Oita prefecture and his associates contributed to the success of such industrial development, although both inexpensive grounds and ample manpower were contributing factors of the success.

Concerning the campaign of a special production in each village, the residents made good results to manufacture more than one-hundred products.

They boarded a special ship to Yokohama to find markets for the products they made. The residents also undertook "The Produce Fair" at a hotel in Tokyo and invited distinguished guests.

The first conference on the marine products industry was held in Oita prefecture with the attendance of the Crown Prince and Princess of Japan. The aim of the conference was that technological methods should be adopted for fishing. It might be possible for fish to be conditioned to feed when a unique sound is made. This will contribute to larger catches.

The part of the coast-line in Oita city, which was once reclaimed thirty-four years ago, was reconstructed as a New Oita industrial city on the basis of iron and petroleum industries. More than half of the entire population in Oita prefecture was centered in this area. However, the construction plan was forced to discontinue because of a low rate of economic growth. The project was unsuccessful, and to make matters worse these circumstances had influence on the decline of agriculture in the region.

A new Oita industrial city was brought by a unique manager at the shipping company. Mr. Isao Hikita, fifty eight years of age, was once a fisherman. He was forced to change his work because the coastal areas, where he had worked, was reclaimed. With compensation money, Mr. Hikita and his colleagues established a shipping company. Up to the present, he established thirteen allied companies within the East part of Kyushu district. He looks back on his old days. "I had never thought about the possibility in the change of my work. I had fought against it. But there was no use in doing that." Three years ago Mr. Hikita established "the Fox Electronic Company" dealing with computers. His company is affiliated with the "System House Company" in Tokyo. The Fox Electronic Company acquires technical renovations, and the company has recently begun to receive mass produced computers from the United States. In addition to that, he opened an office in Silicone Valley in the United States to extend the business further to foreign markets.

There is a successful story about farming in a small land. in Oita prefecture is the birthplace of a new enterprise. The residents have attempted to renovate the agricultural field since 1960. As a cultivated field is very small, the farmers emphasized increase in the production of both plum and chestnut trees. They succeeded in this plan and produced more than one hundred and fifty kinds of farm products including "kinokodake" mushroom.

Yubuin-cho is in favorable circumstances with natural beauty and hot springs. The residents have made efforts to gain a reputation as a tourist resort and a heart-warming town as well. Their efforts were rewarded with an

official commendation by the Minister of Autonomy. There are no movie theaters in the town; however, many Japanese films are screened every night to give life to the town. Some of the young, who once left the town for the large cities, gradually began to think better of their town and began to return. Mr. Hiromi Kawakami, who left for an automobile company in Nagoya presently works as a cultivator of mushroom in his home town. He is full of fighting spirit for his future.

The word "technopolis" is often confused with the institute of the police. We hope that this presentation helps clear up any confusion.

Two years ago Oita-Canon began to operate the company and produce more than 50,000 automatic cameras per month. Seventy-five percent of this production was exported. The main key of "technopolis" depends on how Oita-Canon attracts new and local industries. Aki-cho is in Oita prefecture. The population of the town 10,000 is entirely free from the decrease in population caused by the extension of Oita-Canon. In the town many apartment houses and mansions are under construction, making all the necessary preparations for the employees in the manufacturing company. However, the tremendous increase in land values may impede the new enterprise of the town. In spite of such financial difficulties, the residents of Aki-cho town devote themselves to and elaborate the plans for the development of the region.

Finally, we will introduce you the situation of Oki Island in Shimane prefecture. Mr. Kagenobu Kuwahata is the reporter of this part.

The Oki island in Shimane prefecture, consisting of more than 180 islands with various sizes, typify the most depopulated areas in Japan. The islands have a population of six-hundred twenty, and the aged over 65 years old form 25 percent of the entire population. Ninety percent of the revenues of the islands results from government subsidy. The islands had been rich in forestry resources for many years, and fishing did not go well, although the Fuse-mura looks out upon the sea.

When the Oki-islands were designated a National Park in 1963, all the accommodations, such as lodging houses, youth hostels and recreation centers were crowded with tourists. However, such accommodations were gradually deserted after a serious depression. Simultaneously, the forestry field, which was once thriving, had already been in the bottom of depression. In 1976, the residents started a campaign to restore wooded regions of the islands. The slogan: "sharing the profit equally between the village and the investors", was set forth. They appealed to the public in order to request funds and to

bring local talents together.

On the other hand, Mr. Sadami Yamaguchi set forth fishing as the key industry rather than forestry. Mr. Yamaguchi, at the age of 59-year, has been a village headman of the Fuse-mura on Oki-islands in Shimane prefecture for nineteen years. He is known as an imaginative man. In 1982, the budget on the fishery development was rejected contrary to his expectation. Mr. Yamaguchi decided to resign from the post of village headman, and using his retirement allowance he established a company named "Kowa Fishery". He had never had any experience with this kind of work. The Kowa fishery company is managed by a group of fourteen people with diversified ages and backgrounds. Last year they achieved success making a profit of 64 millions yen. They all receive equal wages of 140 thousands yen a month.

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