

## **Part 1 Basic Conception for National Spatial Strategies**

### **Chapter 1 Trends of the Times and Challenges for National Land Policy**

More than seven years have passed since the turn of the century and socioeconomic conditions in Japan have undergone drastic changes. The “Grand Design for the 21<sup>st</sup> Century” (Cabinet decision in March 1998), the 5<sup>th</sup> comprehensive national development plan, demonstrated major changes that have taken place during the transition into the 21<sup>st</sup> century. This includes significant changes in the national consciousness, the shift to a global age, the decreasing population and aging society. Thereafter, we have seen major changes not foreseen in the Grand Design, such as the rapid growth of East Asian countries and regions, a faster-than-expected depopulating society, and changes in everyday life brought about by the spread of the Internet and mobile phones. In this national land plan for the new age it is necessary to recognize the trends of the times and issues involved in national land policies.

### **Section 1 Drastic Transformations in the Socioeconomic Environment**

#### **(1) Advent of a decreasing and rapidly aging population**

The total population of Japan began to decrease after peaking in 2004 (127.8 million). Although the birth rate, which had fallen to as low as 1.26 in 2005, increased to 1.32 in 2006, 1.34 in 2007, it still remains at a low level. According to the population projection for Japan (median projection) by the National Institute of Population and Social Security Research, the total population is forecast to be 122.74 million in 2020, 115.22 million in 2030, and 95.15 million in 2050. Moreover, the elderly population, which was around 20 percent in 2005, is expected to rise to just below 30 percent in 2020, just over 30 percent in 2030 and just below 40 percent in 2050.

As for the population by regional block<sup>1</sup>, according to further estimates by the same institute, if the net migration rates between regions<sup>2</sup> are assumed to decrease over time, while the population of Okinawa will increase between 2005 and 2020 and that of the Tokyo metropolitan area will show a slight increase, the population of other blocks is expected to decrease. On the other hand, if the net migration rates are assumed to be zero from the outset, the population of all blocks except Okinawa is expected to decrease by 2020.

A declining and aging population brings with it a wide range of issues such as diminished regional dynamism, an increase in single-person elderly households, how to maintain economic welfare in the midst of a decreasing population, how to secure labor inputs with a reduced labor force, and the deterioration of local government finances, which support regional activities. While the government is implementing comprehensive measures to counter the falling birth rate, this plan should address these issues on the premise that a declining population is inevitable.

To achieve stable economic growth and to secure the necessary labor force, productivity growth and human capital accumulation through education, training and innovation should be promoted, and employment opportunities for young people, women and the elderly population

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<sup>1</sup> Regions designated by ordinances that include two or more prefectures; also “wide-area block”

<sup>2</sup> The net ratio of inward migrants from other blocks to the regional block population.

should be expanded. Additionally, it is necessary to promote the restoration of area-based communities such as community associations and efforts to revitalize local areas giving priority to the viewpoint of diversified population other than residential population.

Moreover, it is necessary to build a stable relationship between people and national land through nationwide discussions on the future course of the population in order to avoid an endless decline in the total population.

## **(2) Globalization and economic growth in East Asia**

Under the progress of economic globalization, and rapid economic growth and the advancement of the economic structure of East Asia,<sup>3</sup> the construction of business networks and economic partnerships throughout East Asia have been accelerated. With regard to Japan's trading partners, the United States and Europe accounted for around 60 percent of exports in the 1980s, but dropped to less than 31 percent in FY2006. Since the FY2003, trade with Asia has been greater than with the United States and Europe, and the total trade with China except Hong Kong surpassed the total trade with the United States in the FY2006. Based on these facts, it is necessary to further promote measures that add value to industries, and in cooperating with countries around the world, deepen the relationship with East Asia in particular. It is also necessary to strengthen the potential for growth and competitiveness of Japan as a whole as well as each of the eight designated areas by addressing common policy issues such as the conclusion of an Economic Partnership Agreement (EPA) with a view to establishing an East Asian market economy.

Moreover, common problems in East Asia such as problems relating to the environment, resources, and energy as well as the aging population have become apparent, with the demand for energy in East Asia is expected to increase rapidly in the future along with the growth of East Asia. It is thought that since Japanese technologies and experience could help to resolve these problems, Japan should contribute to the prosperity of East Asia by actively getting involved in finding a solution, while recognizing linkage with Asia as essential.

Furthermore, in order to secure and enhance Japan's presence in East Asia, not only economic power but also "soft" powers such as brain power, cultural power and informational power need to be enhanced. In order to enhance these powers, it is necessary to promote cultural, educational and research activities that restructure the attractiveness of Japan, and strengthen information transmission capacities to feel and experience their impact.

On the other hand, it should be noted that there are risks due to deepening interdependent relationships and tensions concerning interest in neighboring sea areas.

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<sup>3</sup> "East Asia" should refer to Japan, China, Korea, Taiwan, 10 countries of ASEAN, and the Far East area of Russia such as coastal regions adjacent to Japan taking into account the current situation of human exchange and economical interdependence as well as geographical proximity. However, it is necessary to consider including India, Australia and New Zealand based on recent trends of economic partnerships.

### **(3) Advances in information and communication technology**

The striking advances in information and communication technology in recent years have rapidly made our lives more convenient, improved industry productivity and brought about major changes in everyday life, particularly relating to person-to-person interaction. For instance, the spread of the Internet has given rise to new services such as Wikipedia<sup>4</sup> and blogging,<sup>5</sup> characterized by “user participation,” in which anyone can contribute to and make use of the knowledge provided by other Internet participants. These services are also characterized by “open orientation,” whereby service providers disclose their databases and allow others to use them actively, leading to the integration of a wide range of knowledge and cooperation that transcends distance.

These developments in information and communication technology are heading toward the realization of ubiquitous networks that enable anyone to freely access and exchange information of any kind at any time from anywhere in the world and from any device; they are expected to have a wide-ranging impact on the national land along with the increased interchangeability brought about by progress in the area of transportation. Since access to high-quality information is available even from outlying regions, it is likely to promote the decentralization of industrial locations and the diversification of working styles, such as telework.<sup>6</sup> At the same time, the concentration of intellectual production activities may be accelerated. Progress in geospatial information technology, such as the geographical information system (GIS), and progress in electronic tag and network robot technology utilizing ubiquitous networks are likely to play complementary roles in various fields for Japan’s depopulating and aging society. This includes disaster prevention, security, and medical and nursing care, and will lead to the enhancement of the national land infrastructure. From the perspective of national land policy, progress in ICT should be utilized in a positive way in regional development, in stimulating exchange, and in national land management.

## **Section 2 Changes in and Diversification of National Values**

### **(1) Growing concerns over safety, security, the global environment, and attractive landscapes**

In recent years, public awareness of safety and security has increased against the background of frequent natural disasters and accidents, outbreaks of infectious diseases, and a series of horrific crimes. Continued global warming is expected to have far-reaching consequences, such as more frequent instances of abnormal weather (e.g., rises in temperature and sea levels, floods and high tide water, and drought). The national land structure of Japan is extremely vulnerable to natural disasters. In recent years, in particular, the increase in heavy rain has caused frequent disasters and extensive damage. Japan is one of the largest volcanic

<sup>4</sup> An online encyclopedia that allows participating users to add new items, add postscripts, or revise content as needed.

<sup>5</sup> Diary-type Web pages operated by individuals or groups of individuals. Since blogs are equipped with bulletin-board functions and automatic link functions, readers can follow the flow of discussions, making it possible to form communities by type of interest and topics.

<sup>6</sup> A way of working by utilizing IT technology without being constrained by place and time.

countries in the world and is prone to earthquakes, thus raising concerns that great earthquakes, such as a Tokai earthquake, Tonan-kai earthquake, or an inland earthquake in a metropolitan area, or a tsunami may occur at any time.

There are also concerns that the shortage of resources and energy will become serious, as the world population and economy are expected to continue increasing. At the same time, various problems have become evident, including the degradation of ecosystems and increased burdens being placed on the national land and the global environment by economic and social activities. Against this background, we have seen increased public interest in environmental issues such as the prevention of global warming, the creation of a cyclical society, and the preservation and recovery of the natural environment. Amid increased public awareness of the importance of quality of life, relaxation, and spiritual wealth, their desire for beautiful scenery, culture, and art has become stronger than ever.

While investment in the maintenance of and improvements to the existing national land infrastructure is expected to increase, it is necessary to strengthen preparations for qualitative changes in natural disasters by combining "hard" structural and "soft" non-structural measures as well as striving to find measures to counter environmental problems and create an attractive landscape.

## **(2) Diversification of lifestyles; expansion of groups that can play a "public" role**

A diversification of national values and an increase in disposable time over one's lifetime have made it possible for people to choose from a diverse range of lifestyles. This has also lead to new working styles, such as telework, and new living styles, such as a big-city dweller moving their residence to a rural area. In post-war Japan, urbanization gave rise to an increased number of nuclear families and young single-person households. But in recent years we have seen a tendency for parents and their children to live in close proximity to each other in order to provide nursing care and childcare support along with further diversification of the family structure, such as an increase in single-person elderly households. Moreover, there are moves among people to have multiple jobs, enjoy various educational opportunities and research activities, and to live a "dual habitation" lifestyle. From the perspective of national land policy, it is necessary to realize a multiple-choice society that allows for diverse ways of working, living, and learning, while focusing on nurturing self-sufficiency and diverse exchange to reduce constraints imposed by regional differences. It is also necessary to encourage city-dwellers to migrate to rural areas, which are in need of revitalization.

As a result of developments such as the maturation of society, increased public awareness of their social contribution, and the diversification of national values, a variety of entities such as NPOs and corporations have come to play a wider range of "public" roles, reducing in turn the role played by the state. Taking advantage of this transition, individual and corporate awareness of their social contribution should be further raised and entities engaged in national land development, such as the revitalization of regional communities and the management of national land, should be further developed.

### **Section 3 National Land Situation**

#### **(1) Current national land structure: unipolar and uniaxial**

The unipolar, uniaxial structure of Japan has led to a concentration of population and functions around the Pacific belt, mainly in Tokyo. This has brought a variety of problems, including depopulation, delays in the improvement of urban living environments, and the national land's vulnerability to disasters. With the aim of furthering a more balanced development of the national land, the government has put together a comprehensive national development plan and is promoting the establishment of high-speed transportation systems and the decentralization of factories and educational institutions. These efforts have had some positive results, such as a reduction in excessive internal migration into the Tokyo metropolitan area and the narrowing of regional income disparities. At the same time, however, it has resulted in a standardized allocation of resources and robbed regions of their individuality.

On the other hand, amid drastic changes in economic and social conditions, such as the full-scale advent of an aging society, the economic development of East Asia and regional confrontations with globalization, Japan needs to develop a new growth strategy to overcome the decreasing population. To that end, from the viewpoint of relationships between regions within Japan - including Tokyo - and other regions in the world - including East Asia - beyond the viewpoint of Tokyo and other regions, it is necessary to promote strategic investment to enhance the quality of the obsolete national land infrastructure and strengthen international competitiveness, while at the same time utilizing and strengthening the concentration of cities and industries - the engine supporting economic growth.

Although the net inflow of population into the Tokyo metropolitan area decreased from 119,000 in 2002 to 101,000 in 2004, it looks to increase to 155,000 in 2007. It seems that there are many reasons for the feelings of disparity that have arisen. While over the long term, average differences in per-capita income between the top and the bottom five prefectures have decreased from the top prefectures earning 2.3 times as much as the bottom prefectures in 1961 to around 1.6 in recent years, over the short term, it increased from 1.56 in 2001 to 1.68 in 2005. It is necessary to pay close attention to the recent trends in regional disparities between wide-area blocks and prefectures. Attention should also be paid to regional disparities within wide-area blocks and prefectures. Small and medium-sized rural towns and hilly and mountainous areas are losing their vitality and having difficulty maintaining various social services amid a rapidly decreasing and aging population. Moreover, there are concerns of regional communities becoming debilitated and historic rural areas weakening or even ceasing to exist. Under these circumstances, in order to promote regional independence, new regional development models are needed.

#### **(2) Autonomous regional development; increase in issues beyond prefectural boundaries**

Meanwhile, decentralization, municipal mergers, and progressing regulatory reform have strengthened regional communities' power to take initiatives in decision-making and, as described earlier, represent a contribution to the establishment of an environment fostering regional independence, such as an increase in opportunities for direct exchange brought about by economic growth in East Asia, the diversification of lifestyles and advances in information and communication technology.

Wide-area blocks have populations and industries on a par with medium-sized European countries, and have seen the growth of central urban communities and progress in the establishment of basic public facilities. Therefore, each wide-area block has the potential to enhance its international competitiveness through competition and cooperation with neighboring East Asian countries and regions and establish a distinct regional identity. Moreover, with challenges that must be addressed from a wide-area perspective beyond prefectural boundaries, it has become necessary to promote measures on a wide-area block level. This includes the strategic development of international physical distribution and high-speed transportation systems in response to wider economic activities, measures for under populated areas and hilly and mountainous areas in prefectural boundaries, measures to prepare for major earthquakes, and the establishment of broad scenic routes to appeal to tourists from East Asia.

### **(3) Need to reorganize the nation and the national land in response to population decline**

Since the dawn of time, people who lived on the Japanese archipelago prepared themselves for severe natural disasters and took various measures to adapt their land to changes of the times. Their efforts resulted in the development of farmlands and hamlets, leading in turn to the creation of rural areas and towns. This was followed by further growth in areas such as industry and transportation. The scenery and nature around us today were mostly formed by the work of these people. Meanwhile, Japan's unique culture and traditions were nurtured and regional identities cultivated. As a result, various developments that gave form to the national land have increased to a considerable extent. However, since some have progressed primarily for the purpose of satisfying quantitative requirements in response to the needs of the times, such as rapid economic growth periods, improvements now need to be made not only from the perspective of strengthening international competitiveness and promoting regional independence but also from the viewpoint of disaster prevention and living in harmony with nature.

Moreover, long-term possibilities of a rise in the sea level and an increase in the frequency of heavy rainfall due to global warming have been pointed out. Japan is required to contribute to the creation of international policy frameworks to counter global warming, and to address diverse global environmental problems in the form of disaster-prevention measures, carbon dioxide(CO<sub>2</sub>)-saving regional structures and transportation systems, forest development and conservation, the maintenance and creation of sound ecosystems, and the construction of a sound material-cycle domestic society.

The current century offers a good opportunity to restructure the relationship between people and national land as the decreasing population has made it easier to utilize national land. Based on the progress to date, it is important to create a safe and attractive national land by striving to correct distortions, enhance its quality, and reduce environmental burdens—efforts that would have been difficult during the period of population enlargement and high economic growth. Through these efforts Japan should appeal to the world with its inherently attractive qualities, such as beautiful rural scenery and clean and safe urban areas, and strive to create a beautiful, reliable, and functional “Japanese brand of national land” that everyone wants to live in or visit. To this end, Japan should give priority to the overall management of national land (broadly defined management) ranging from investment to maintenance and control, not to mention recycling.

Considering the current status and problems of the national land as well as the trends of the new age, Japan should strive to create a national land structure for the new age that allows us to put the current unipolar, uniaxial structure behind us.

## **Chapter 2 National Land Structure for the New Era**

### **Section 1 New National Land Vision**

In order to create a national land structure for the new age, using the environmental changes described earlier as a stepping stone, wide-area regional plan blocks as individual units should draw up regional strategies to allow resources to be used to the full with a view to regional growth through exchange and cooperation with other areas in East Asia. This encourages each block to promote the conversion to a national land structure, autonomously striving to create vibrant and rich economies and living environments. Mutual interaction and cooperation between these diverse blocks will have a synergistic effect on the creation of a vibrant national land. This will lead to dissolution of the unipolar-uniaxial national land structure.

Moreover, areas with unique characteristics such as landscapes famous for their natural scenic or urban buzz should display their individuality. A beautiful, reliable and high-quality “Japanese brand of national land” should then be created through attractive natural environments and beautiful landscapes, safe, comfortable and relaxing living environments, a reduction in the environmental burden, and efforts based on the concept of universal design.<sup>7</sup> At the same time, interregional reciprocal relationships should be maintained and developed to allow for a symbiotic existence and for the creation of a multilayered national land.

To this end, exchange and cooperation between each regional block and areas of East Asia should be promoted with the aim of creating a “national land open to Asia,” and each block’s characteristics, amenities and international functions should be reexamined. As a result, national land structure will be converted to one that is conscious of East Asia through, for example, region-wide efforts to utilize not only the Pacific Ocean but also the increasingly

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<sup>7</sup> Designing cities, living environments, information and services in such a way that they can be easily used by everyone, regardless of age, sex, ability and language.

important Sea of Japan and East China Sea.

Within each wide-area block, urban cities and industries - potential growth engines - should be strengthened and each region within the block needs to ensure stable economic growth by asserting its unique characteristics rooted in its individual culture, traditions and natural environment. It is also necessary to maintain regional vitality by creating comfortable and sustainable living environments.

These efforts will expand people's spatial vision from a municipal area to a wider living area, from a prefectural area to a wider block, and from a national land to East Asia.

Based on the above concepts, the construction of a national land where diverse regional blocks develop autonomously and the creation of a beautiful national land where life is comfortable should make up the basic strategies of the plan.

A favorable direction for the future of Japan is to increase "the depth of the country" commensurate with its maturity by creating a national land structure comprising independent wide-area blocks that each have different characteristics and by encouraging diversity to allow for flexible responses to various changes both at home and abroad. This is also necessary for the Tokyo metropolitan area, where the composition ratio of people born and raised in Tokyo has increased, from the perspective of securing its individuality and vitality through dynamic transfers and exchange with diverse areas both at home and abroad.

Striving for such a national land will contribute to the independent development of wide-area blocks and this in turn will contribute to the a well-balanced development of our country as a whole, to meet the needs of the new age. Moreover, by creating a beautiful and comfortable national land where diverse regional blocks develop and a strong symbiotic relationship is built between them, concerns about a widening interregional gap and the sense of disparity will be appeased.

When promoting exchange and cooperation between wide-area blocks and between each block and East Asian regions, it is necessary to pay attention not only to the form of the connections and the development of economic activities but also to individual regional characteristics such as climate. These contiguous connections between wide-area blocks are in line with the concept of four national axial zones (North-Eastern National Axial Zone, Japan Sea Coastal Axial Zone, New Pacific Ocean Axial Zone and Western Japan Axial Zone) in the "Grand Design for the 21<sup>st</sup> Century" aiming at creating a multi-axial national land structure that shares climatic characteristics, a historic experience of exchange, and geographical features with the Asian Pacific region.

As for the relocation of the Diet and other organizations (relocation of Capital function 1), a report on candidate sites was made to the Diet in 1999 based on the Laws on Relocation of the National Diet and Related Organizations recommending a reversal of excessive concentration in Tokyo, strengthening response capabilities to disasters, and solving important issues crucial



for the development of an affluent environment in Tokyo. Since the matter is being studied by the Diet, it is necessary to take actions based on the strategy outlined in the study.

As for the Northern territory, development should be planned as a part of the national plan. However, due to its special circumstances, the basic strategy of the national land plan should be published after certain conditions are put into place.

## **Section 2 Time Frame of Plan**

Overviewing future conditions surrounding national land, it is expected that problems stemming from factors such as the declining and aging population will become apparent over the medium and long term even in a currently vibrant East Asia. Moreover, there is a possibility that capacities for new investments may be limited as a result of the considerable decrease in the working population and the increase in investment in the maintenance and renewal of the social overhead capital 30 years from now when the second-generation baby boomers will start to retire.

On the other hand, approximately 10 years into the future, it is expected that the so-called baby boomers, who had led lifestyles according to the times and will be in the 60-75 age group, will continue to play important roles in society and contribute to creation of a new socioeconomic image of aging society. Taking this opportunity, in the first national land plan in the 21<sup>st</sup> century, the direction of efforts for the future strategy should be actively presented through contributions from all generations.

In order to achieve these objectives, the plan should overview the first half of the 21<sup>st</sup> century and present basic ideas and goals concerning national land for approximately the next 10 years and basic measures needed from a nationwide viewpoint.

## **Section 3 Cooperation Between National and Local Governments to Create Autonomous Regional Blocks**

### **(Formulation and promotion of the Regional Plan)**

The latest drastic revision of the Comprehensive National Land Development Act to form the National Land Sustainability Plan Act in 2005 institutionalized the formulation of wide-area regional plans in addition to the national plan. In developing wide-area regional plans, if the Ministry of Land, Infrastructure, Transport and Tourism, relevant local government offices, local public bodies, and local businesses collaborate and share roles appropriately, it is expected that this will lead to the creation of unique regional communities. It is also important to promote a shared awareness of broad-based facilities through the process of drafting plans. To this end, each wide-area block should conduct broad-based and cross-cutting studies with regard to ① its position in relation to the national land and how its individuality is manifest in East Asia, ② cooperation between urban areas and regions within each block on the basis of each block's characteristics, ③ independent countermeasures against nation-wide problems, ④ measures to resolve problems peculiar to each block, and ⑤ a focused and selective mobilization of resources based on the independent regional strategy.

**(Support from the government for the autonomous development of regional blocks)**

In order to promote the creation of independent wide-area blocks and to implement the measures necessary from the standpoint of the national strategy, the national government is required to study and establish support frameworks, such as support for focused measures to strengthen international competitiveness based on wide-area regional plans, support for an efficient and effective realization of regional strategies, and the development of an environment fostering regional competition in terms of wisdom, ingenuity, and so on.

It is also necessary for the national government to continue to provide the required support to areas with disadvantageous geographic, natural, and social conditions. When doing so, the national government should study appropriate support measures to respond to the individual needs of each area.

**(Development of an environment for deploying regional strategies)**

In each regional block, the deployment of distinct regional strategies for creating unique areas is called for through mutual cooperation between the national government, local governments and a range of private entities, all taking into account the Regional Plan, among others.

To this end, as an important part of regional development, it is necessary for local governments to possess the authorities and funds to implement the measures needed for regional management using their own judgment and responsibility. Thus, decentralization will be promoted alongside appropriate role sharing between national and local governments.

Moreover, it is necessary to actively address regulatory reforms through individual efforts in order to promote voluntary activities of various private entities and to expand regional knowledge and capabilities. In addition, the utilization and enhancement of frameworks for taking advantage of regional initiatives such as designated structural reform and regional restoration will be promoted.

**Chapter 3 Strategic Goals for Realizing the New National Land Vision**

In this plan, five strategic goals are presented aiming at the autonomous development of diverse regional blocks and the realization of beautiful and comfortable national land. The five goals consist of: “smooth exchange and cooperation with East Asia;” “creation of sustainable areas;” “creation of a flexible and disaster-resilient national land;” “management and passing on

to future generations of beautiful national land;" and "regional development centered on the "new public." The plan is to be promoted through cooperation between various entities.

Firstly, section 1 deals with "smooth exchange and cooperation with East Asia," which is a concept involving the seamless, rapid and smooth integration of migration, logistics and production activities, and informational and cultural exchange from the viewpoint of creating a national land in response to trends of the times such as globalization and population decline. It also aims to absorb the dynamism of the growth of East Asia. Section 2 deals with the "creation of sustainable areas" by block, including cities and rural communities, in order to maintain vitality and individuality while at the same time protecting the infrastructure necessary for everyday life.

Secondly, section 3 deals with the "creation of a flexible and disaster-resilient national land" which aims to enhance integrated "soft" and "hard" measures to protect against disasters from the viewpoint of handing down safe and attractive national land to future generations. These measures have been implemented tirelessly up until now and will continue to be in the future. Section 4 goes on to deal with the "management and handing down of attractive national land" which aims to create a sustainable national land.

Furthermore, as a cross-sectional goal to promote the four strategic goals mentioned above, section 5 deals with "regional development centered on the "new public"" which is to be strategically addressed through cooperation between various entities.

### **Section 1 Effective Communication and Collaboration with East Asia**

East Asia is becoming the "world's factory" thanks to production networks with direct worldwide investment as their driving force. Its attractiveness as a market is also increasing thanks to rapid growth, which in turn attracts further investment. It can be said that there is a virtuous cycle in East Asia, with Japan providing valuable components and materials. On the other hand, rapid growth in East Asia has brought increases in energy demand and an excessive burden on the environment. East Asia has also increased its presence in the world in this respect. As a result, our country's contributions not only economically and technologically but also in terms of knowledge about the environment and energy are becoming important for the stable development of East Asia, where interdependence is deepening. It is also important for the sustainable development of the world economy. Moreover, an aesthetic sense based on Japanese history, traditions and nature and a harmonious culture are highly valued in many countries.

Taking these trends into consideration, Japan will deepen its exchange and cooperation with East Asia in terms of human resources, materials, economics and technology, while at the same time taking into account the competitive side of the relationship, in order to move forward as a member of East Asia.

On the other hand, it is important for Japan as well as East Asia as a whole to develop an environment fostering the seamless and smooth movement of people, resources and information making use of both hard and soft infrastructure (creation of a seamless Asia). It is also important to strengthen various forms of infrastructure which will form the gateway to the world (the

“Asian gateway”).

There have been significant changes in the transportation network structure across East Asia following the economic development of neighboring countries. For example, main routes for marine container transportation to North America, which used to go via the Pacific Ocean, now pass through the Sea of Japan more frequently. Also, at ports throughout the Sea of Japan, the amount of international marine containers handled and the average growth rate of the number of international airline passengers over the past ten years were more than twice as high as the national average. Moreover, neighboring countries in East Asia interconnected by land are strengthening their ties through networks such as the Asia Highway and the Trans-Asian Railway. It is a concern that Japan will fall behind in securing continuity and compatibility of its the transportation system with the rest of East Asia because of the ocean separating us.

In order for Japan to appropriately respond to these trends and to play a part in the Asian gateway by contributing to the realization of tight networks with East Asia, it is necessary to further strengthen international ports and hub airports of internationally competitive sizes and functions in metropolitan areas to be used as bases for main international marine as well as air routes. In addition, the creation of transportation routes and networks should be promoted so that each block in Japan can directly exchange with neighboring areas utilizing regional ports and airports.

#### **(1) Strengthening national industries under the industrial structure of the East Asia network**

As direct investment has increased due to an active expansion of Japanese companies to East Asia, the hollowing out of domestic industries was becoming a concern. But a better cycle has been developed whereby increased export and investment profits are returned to our country. Such a cycle extends to the electric machinery, automobile and steel industries. Furthermore, it may extend to the aircraft industry as a result of the expansion of exchange with East Asia. In order to consolidate such a movement as absorbing the dynamism of East Asia to each area in Japan, and to continue to grow under competition and linkage with East Asia, it is necessary to further the leading R&D and to strengthen industrial competitiveness by supplying high value basic material and components to East Asia.

Each regional block should continue to increase its presence as an engine for East Asian growth by transmitting new values and providing new internationally competitive products, new technologies and new services exploiting regional resources to the maximum extent from the viewpoint of directly competing and linking with other countries for autonomous development. To this end, it is important to strengthen information and industrial clusters through practical industry-academia-government networking, consolidation of R&D bases, and cooperation between each cluster. At the same time, a system should be established to promote innovation through science and technology such as the strengthening the transfer of knowledge from research to market and from market to research.

In Japan, there are many small- and medium-sized enterprises (SMEs) with innovative and advanced technology that occupy a large share of the global market, as well as a wide range of parts and material industry companies with advanced technology that support internationally competitive automobile and information appliances industries. On the basis of these facts, the government is promoting many policies to strengthen SMEs through fundamental technology for competitive manufacturing.

Furthermore, in order to actively attract investment from overseas and to improve the productivity of industries through new technology and innovative management know-how and the boosting of competition, the government should develop infrastructural systems needed from the viewpoint of accelerating regulatory reforms and securing an equal footing on international standards. At the same time, an international business environment and foreigner-friendly living environment should be developed in each area.

## **(2) Common issues throughout East Asian; cultural exchange; human resources**

There are several issues common among neighboring East Asian areas and Japan, for example, resource and energy problems, marine problems such as contamination by wreckages, environmental problems such as pollution and wastes, urban problems caused by rapid urbanization, and disaster prevention problems. Multilayered partnerships including city level and wide-area level should be strengthened to solve those issues. To this end, the construction of a new framework among governments to be used as a platform to resolve common issues utilizing Japan's technologies and experience should be promoted, and bases for research and exchange supporting linkage should be improved.

Moreover, in order to attract the interest of people around the world including East Asia and to help them to have a better understanding of our country, soft powers such as capacities for knowledge, culture and information transmission, alongside economic power, are essential. From this viewpoint, Japan must be committed to actively introducing ideas and products such as movies, animation, computer games, food culture and fashion, while at the same time helping people to deepen their understanding of Japanese culture through increasing visitors to Japan by promoting tourism as a fundamental element for development.

Furthermore, in order to encourage talented young Japanese and foreign workers who support the future partnership with East Asia and realize a "nation built on talented human resources," it is necessary to train people who are equipped with skills in the area of language, presentation, planning and management. These skills are required in specialized fields or the international market and can play vital roles on an international level. In addition, deeper multilayered exchange networks should be formed through the enhancement of opportunities for studying about Japan and the Japanese language, contributing to education and an increase in the number of international students in Japan.

It is also important to make further soft efforts such as the development of living environments, for example increasing guides in public facilities written not only in English but also in other Asian languages and symbols.

### **(3) National land infrastructure for smooth exchange and linkage**

In order for Japan, with its technical and cultural edge in terms of industry, energy, and the environment, to lead integrated and sustainable economic development in East Asia, it is necessary to continue its function as an international transportation base linking Asia and the rest of the world as part of the Asian gateway vision. It is also necessary to strategically form a comprehensive sea-air transportation system in Asia on multiple levels by expanding the function of the international transportation base directly linking the wide-area blocks in Japan and neighboring Asian countries. Strengthening Japan's international transportation and communication networks and resolving cross-border issues with neighboring countries are pressing issues.

Amid the on-going moves to institutionalize intra-Asia transportation and communication, where people, goods, and information are exchanged closely and frequently in a similar way to within Europe, it is necessary to continue to expand the "one-day activity zone in East Asia" as proposed in the "Grand Design for the 21<sup>st</sup> Century." In addition, it is necessary to promote the realization of a "daytrip business zone" so that, for example, a businessman can come home the same day that he has finished work in an East Asian country, as well as an "overnight freight delivery zone." Here, great amounts of goods and semi-finished goods produced at various production bases under the international division of labor can be transported quickly using high-speed marine transportation across the Japan Sea. This will work toward the realization of a seamless Asia as symbolized by the "Asia Broadband Environment" that enables anyone to freely access and exchange information at any time from anywhere in the world.

## **Section 2 Development of Sustainable Local Communities**

In order to create sustainable areas, the development of comfortable and vibrant urban areas should be promoted. This should be done by replacing the idea that the development of infrastructure should be carried out by expanding cities following an increase in population with the idea that linkage between cities and structural conversion should be carried out according to conditions of existing stock. The aim of this is to correct the diffusive urban structure by regarding urban areas that mutually complement urban functions as one unit. Particularly in urban areas mainly functioning as bases, it is important to strengthen linkage within and between areas in order to enhance the vitality of the entire region. Moreover, regions should be developed so that people can choose diverse styles of working, living and learning, and different generations can live securely and peacefully. Also, each region must make an effort to make the most of its unique qualities through industries utilizing their own resources and a reevaluation of the various functions of rural areas. In doing so, exchange and linkage in and between regional blocks, as well as an increase in human resources by encouraging internal migration to rural areas will be promoted.

### **(1) Sustainable and comfortable urban areas**

In Japan, the creation of urban areas has progressed in such a way that cities functioning as bases and neighboring areas depending on those cities are integrated. This is a result of lifestyles and company activities expanding based on changes in lifestyles and industrial structure following the progress of industrialization. In this process, urban functions have become progressively disorderly and many center-city areas empty. Looking at population by region, it is expected to increase for the time being in some areas. However, a decrease in population is expected to accelerate in other areas. In particular, this tendency is found more in areas far from cities whose main function is that of a base. Moreover, the number of households is expected to increase in the near future.

Workforce shortages and an increase in social security benefits are expected. There are therefore concerns about various problems caused by urban waste, less efficient public services and an increase in the dependence rate on automobiles. On the other hand, changes in trends such as a reduction in the pressure to build large-scale housing developments provide a good opportunity to create a comfortable and relaxing environment both for residents and visitors.

#### **(Attractive and high-quality urban development)**

Based on this situation, considering the global environment and the regional atmosphere environment, the aim should be to develop cities that are not only comfortable and convenient but also attractive and vibrant. To this end, an environment plentiful in greenery and water, and that gives importance to affluence and attractive landscapes will be created taking into account the risk of disasters. This will make use of the vitality of the private sector, regional initiatives and unique regional qualities, as well as being based on the concept of universal design.

In doing so, it is important to nurture regional pride and create tourist attractions which motivate people to reevaluate and make use of unique regional history and culture. For example, areas with historic buildings, traditional cityscapes and impressive natural landscapes should be conserved and successfully integrated with the aim of creating regional agreement. A historic atmosphere should also be integrated to create more beautiful and individual cityscapes and natural environments.

Moreover, in order to respond to changes in trends such as informatization, globalization and population aging, the government must support the enhancement of urban functions and the improvement of living environment in carrying out urban regeneration.

Meanwhile, in the age of extensive global exchange, cities that function as an economic and logistical base and attract a range of human resources, cultures and knowledge, act as magnets attracting people. It is necessary that urban development be carried out based on such a point.

#### **(Efficient use of national land by conversion to intensive urban structure)**

An intensive urban structure is beneficial for the efficient use of national land, the improvement of convenience for elderly people, the reduction of CO2 emissions and the creation of bustle in cities. This is thought to be a basis for future-oriented urban structure, although there

are aspects to be considered depending on regional circumstances. Thus, if it is considered reasonable to convert the regional urban structure from a disorderly diffusive type to comfortable intensive type, efforts for constructing a smooth and agile urban transportation system and concentrating urban functions in center city areas will be intensively supported. Intensification utilizing existing stock will also be promoted. Moreover, wide-area land use will be considered. This includes rural areas close to cities engaging in mutually beneficial relationships with cities through the control of suburban development, the effective use of little-used/unused urban land, responses to urban degeneration and the conservation of the natural and rural environment. In doing so, it is important to aim for safe national land use taking disaster risks into consideration. The improvement, maintenance and renovation of disaster prevention facilities should be efficiently promoted based on this viewpoint.

#### **(Urban quality of life)**

From the viewpoint of quality of life, a response beyond the boundaries of municipalities will be implemented in order to maintain urban functions such as medical care, welfare and education as well as to meet higher demands such as advanced medical care, constantly taking into account the scale of the population and punctuality of public transport. Municipal areas have expanded following recent municipal, and so a wide-area response continues to be required. Moreover, in terms of immediate welfare support for various households such as single-person elderly households and double-income households with non-Japanese members needing childcare, efforts for cooperation between various entities such as region-based communities should be revived and promoted in order to further improve quality of life. Moreover, the further participation of these entities in fields such as crime and disaster prevention is expected.

As for urban development, the creation of barrier-free spaces should be promoted along with intensification. Moreover, urban transportation should be considered taking into account the future urban image as it is closely related to urban structure. In particular, as for public transport systems such as those within and connecting regional cities, transport routes should be reviewed. This may involve the reorganization of regional transportation networks from the viewpoint of securing a means of transportation for elderly people.

Furthermore, housing is not only a place to spend one's life but also an important source of affluence in a community. Therefore, the quality of residential life will be improved by improving the quality of housing in terms of, for example, seismic resistance and environmental performance. In particular, highly durable housing will be constructed taking into account the anticipated tightening of environmental restrictions. They should be passed on to future generation as assets of the entire society through the improvement of the recycle-oriented housing market and support for relocation.

#### **(Issues unique to big cities)**

It is necessary to strategically promote the improvement of urban infrastructure with a view to competing with cities in East Asia over concentration of functions by utilizing Japan's massive



concentration of population, industries and national land infrastructure connected beyond the boundaries of municipalities around metropolitan areas. To this end, the "renovation of big cities" should be promoted. This can be achieved with an environment where internationally competitive industries can grow through the improvement of the living environment, the alleviation of traffic congestion and the enhancement of distribution systems. In doing so, it is desirable to promote an environment capable of attracting many people from around the world for tourism, industry and big events, taking landscapes and universal design into account. At the same time, constant efforts should be made to avoid urban functions becoming obsolete. Moreover, it is necessary to address disaster-response measures, taking into account population concentration and core functions.

On the other hand, not only the pro-active improvement of welfare facilities but also the enhancement of home-care systems should be promoted, because population aging is expected to progress rapidly in metropolitan areas. In particular, in the suburbs – so-called bedroom towns - vacant houses, vacant parking lots and timeworn housing may increase following a decrease in population caused by people returning to urban areas. It is necessary to consider responses to new issues such as the restructuring of wide-area land use to replace the existing policy issue of preventing excessive concentration in existing city areas.

Moreover, as for environmental aspects, other than responses to the urban heat island phenomenon, the conservation, restoration and creation of natural environments, creation of zero-emission cities, ensuring of clean air in pedestrian areas and securing of sea surface disposal sites should be promoted.

Meanwhile, it should be noted that urban infrastructure improved during high-growth periods will need maintenance and renovation. The quality of urban structures should therefore be improved more efficiently than before, through renovation and prolongation utilizing existing stock. In addition, it should be noted that cooperation between relevant municipalities is important for the improvement of new facilities.

## **(2) Vitalization of industries utilizing regional resources**

In order to stabilize regional societies as places for living, it is important to create employment through efforts to boost industries as a means of livelihood as well as undertake efforts from the viewpoint of improving quality of life. The upgrading of industries and conversion of industrial structures are always required in an age of rapid change, such as the progress of globalization and scientific technology; however, there are financial constraints. In order to make the regional economy sustainable under these circumstances, it is important to strengthen the driving force to create employment opportunities, to create added value voluntarily and continuously. To this end, capitalizing on unique regional qualities by combining all available regional cultural, economic and human resources, efforts should be made for the invitation of companies, reorganization of existing business and industries, and the revitalization of SMEs, the tourism industry, traditional industries and the agricultural, forestry and fisheries industry. An accumulation of these voluntary and individual regional efforts will spread, leading to the

autonomous development of whole blocks.

Therefore, effective land use should be promoted from the viewpoint of building up East Asian production networks based on individual regional features. This includes the development of the necessary land-sea-and-air logistics infrastructure to attract competitive companies and for the benefit of existing industrial estates. In addition, the creation of information and industry clusters as well as growth and revitalization strategies for unique industries should be fostered through the promotion of industrial locations which contribute to the rationalization of globalized industrial activities.

Moreover, since universities produce important knowledge and human resources for areas, education and research should be reinforced. In addition, new industries by establishing industry-academia-government linkage and regional R&D functions should be created. Achievements should be returned to the regions and regional development should be promoted with institutions such as universities at the center of its knowledge base.

As for industries closely connected to the regional economy and employment such as traditional industries, the tourism industry, the agricultural, forestry and fisheries industry, and the construction industry, they need to be boosted to strengthen the foundation of the regional economy. Moreover, it should be taken into consideration that there are a number of regionally-based companies that play a leading role in the global market utilizing their original technologies in, for example, the textile and metalworking industry, although their competitiveness has declined. In doing so, it is important to strengthen and develop regional brands utilizing the natural environment, landscapes, industrial technologies, industrial heritage and facilities, and sports from a fresh viewpoint, along with the internationally recognized culture and arts of Japan. Furthermore, efforts with a view to expanding global markets are important. Moreover, it is important to boost the service industry, which responds to the aging population and the needs of new corporate activities, including health care, welfare, business support, distribution and logistics.

Such a bolstering of regional industries attracts younger workers to the regional blocks from big cities, thus supporting their autonomous development.

Moreover, the utilization of talented human resources such as researchers and technicians from overseas should be promoted. Furthermore, the development of an environment where non-Japanese who have lived and worked in Japan can receive the same public services as Japanese citizens should be promoted. At the same time, multicultural communities should be promoted where people of different nationalities can peacefully coexist.

### **(3) Attractive and comfortable rural areas; new prospects for the agricultural, forestry and fisheries industry**

Rural areas have a variety of functions. They are places for production, for the agricultural, forestry and fisheries industry and living places for local residents. They are also places visited by tourists. In rural areas, production activities are being performed by cleverly making use of nature. Rural areas are closely attuned to the life of residents. Production activities, the status