

significant decrease in population. There are still some issues such as the declining and aging population, industrial and economic stagnation, and regional gaps in terms of standard of living. On the other hand, depopulated areas are starting to play an important role in the conservation of national land and the natural environment as well as preserving traditional cultures. Therefore, it is essential to secure a new living environment in a mutually complementary relationship and build autonomous local communities through exchange between depopulated areas and cities beyond simply correcting regional gaps by improving living infrastructure.

Based on these viewpoints, the promotion of industries, an increase in stable employment, the development of transportation and communication systems, fostering of informatization in depopulated areas, interregional exchange, the improvement of the living environment, the improvement of health care and welfare systems for elderly people, education, the preservation of regional cultures and the development of rural communities will be promoted.

Moreover, immediate consideration is called for of the future course of countermeasures against depopulation taking into account changes in conditions affecting depopulated areas in recent years such as national depopulation and an increase in municipal mergers.

## **Chapter 2 Basic Measures Concerning Industries**

A certain degree of population decline in most of the regional blocks is expected. In some blocks a decline of up to 10 percent over 15 years (approx. 0.7 percent decrease on a yearly basis) is expected. Looking back at Japan's post-war economic growth, the contribution of productivity growth to the economic growth rate has fluctuated from between 1 to 4 percent except for during some periods such as after the collapse of the economic bubble. The improvement of productivity is essential for the sustainable development of regional economies.

Therefore, it is necessary to absorb the dynamism of growing East Asia through the division of labor under the industrial structure of the East Asia network. This can be achieved by improving productivity with continuous innovation as the driving force, increasing the added value of Japanese industries, and upgrading the industrial structure. Moreover, leading regional industries are important for attracting vibrant companies and generating income from outside the region and overseas. At the same time, in order to revitalize the whole country, it is important to make efforts to reinforce employment opportunities by developing a range of industries. This can be achieved by boosting industries closely related to the regional economy and through employment in traditional industries, tourism, the agricultural, forestry and fisheries and construction industry, service industries related to health care, welfare and childcare support. It is also necessary to strengthen regional labor supply capabilities supporting a wide range of industries. To do this, it is essential to take the regional industrial structure into account. Moreover, it is necessary to ensure a stable supply of food and energy taking into account the rapid economic growth of East Asia. Based on these trends, this plan specifically addresses the following issues:

1. Improvement of productivity through innovation, new technologies and new industries
2. Revitalization of a range of industries through attractive environments for industrial locations
3. Stable supply of food and a competitive agricultural, forestry and fisheries industry

#### 4. Improved energy efficiency, diversification of energy sources

Inherent and sustainable functions to add value, which is a driving force to create employment, should be improved by addressing the above-mentioned issues.

### **Section 1 Science and Technology Supporting Innovation**

#### **(1) Developing innovation and strengthening competitiveness**

Science and technology generates human wisdom, is a source of national power, and protects the health and safety of the people. Science and technology - a seed for innovation - should be further developed and achievements should lead to innovation and improved productivity. As a source of innovation, it is important to strengthen the international competitiveness of universities. Therefore, intensive investment should be made in cutting-edge research areas aimed at creating leading, internationally competitive research and education institutions.

In order to transform innovation into industrial competitiveness, the government, industry and academia need to start discussions on issues related to research. They need to address the promotion of long-term collaborative research from theory to application, the introduction of new technologies into the public sector, exit policies such as international standardization, the promotion of start-up activities such as R&D-based ventures and the promotion of R&D by private companies. It is important to further strengthen competitive and knowledge-intensive industries in new fields such as life science, information and technology, environmental science, nanotechnology and material. It is also important to continue to transmit new values to the world by developing new technologies such as fuel cells and next-generation intelligent robots.

Moreover, universities and research institutes including the Tsukuba Science City and the Kansai Science City are important intellectual and human resources that should be utilized in a way to contribute to the development of the nation as a whole. Furthermore, in transcending regional boundaries they strengthen regional capabilities to develop autonomously and to solve regional issues. This is achieved by increasing the added value of industries and developing human resources by providing regional industries and traditional industries with technical support and promoting research activities which address the creation of new technologies and industry-academia-government linkage.

Moreover, innovation in various fields will be promoted simultaneously. This will be achieved not only by promoting science and technology but also by actively reviewing existing systems and constructing a versatile social infrastructure connecting humans, goods and cars with information such as GIS, electronic tags and sensor networks.

#### **(2) Infrastructures supporting science and technology**

In order to strengthen human resources, the government provides support to foster independence among young researchers by improving the mobility of human resources by expanding the fixed-term system and upgrading competitive funds targeting them. Human resource development functions at universities will be strengthened by radically improving the quality of postgraduate education. Moreover, in order to attract top class researchers from abroad,

the government supports acceptance systems taking living situations into consideration by, for example, securing housing and education for their children, not to mention reinforcing the research environment. In addition, the immigration control system and issuance of visas will be reviewed.

It is also necessary to strengthen the infrastructure for promoting science and technology. Therefore, the government will aim to deliberately and intensively advance the restoration and renovation of facilities, equipment and research and information infrastructure of universities and public research institutes. The development of a research infrastructure for thermonuclear fusion and space development technologies taking into account plans concerning international thermonuclear fusion experiments will also be progressed.

As for governmental R&D investment, it is necessary to ensure the same level of investment in relation to GDP as that of major Western countries to guarantee maximum returns by steadily implementing science and technology system reforms.

## **Section 2 Development of Industries as Engines for Regional Blocks; Employment Supporting the Region**

### **(1) Development of attractive environments for industrial locations**

The government has promoted policies to attract heavy industries by designating areas for this use as well as relocating industries from high-concentration to low-concentration areas. This has brought some results such as an increase in the number of business establishments and an increase in the national market share of the industrial shipment value.

However, these days companies sometimes choose overseas factory locations, and industrial promotion policies have been converted into independent regional strategies and deploy distinctive industries utilizing their amenities. The government supports proactive efforts made by local governments to improve company locations by transferring authority regarding factory site criteria to local governments and supporting capital investment of companies located in rural areas. This fosters a concentration of industries in rural areas as well as builds relationships to facilitate division of labor, information sharing and R&D enabling the promotion of efficient and creative business activities.

The development and utilization of distribution infrastructure such as roads, railways, ports and airports are also important for the development of regional industries. A good cycle should be formed which organically links distribution infrastructure with industrial concentration in order to reduce companies' distribution costs and increase possible company locations. Therefore, the government supports regional initiatives for developing infrastructure by providing connections to private investors.

Foreign direct investment (FDI) to Japan is on the increase; however, its ratio to GDP is still low compared to that of other advanced countries. Moreover, since it is concentrated around Tokyo efforts for strengthening investment in other areas are required. Therefore, in order to realize the government's goal of doubling the FDI to GDP ratio to bring it to approx. 5 percent by 2010, the investment environment should be further developed through measures such as the

development of systems related to organizational restructuring and the translation of laws into English. In the case of non-Japanese who are involved in corporate research activities, for example, consideration will be given to reviewing qualifications for "Intra Company Transferee" visas. In order to improve regional amenities, it is necessary to make efforts to develop excellent educational and R&D systems, secure high quality human resources, create academic and industrial clusters, and reinforce support systems for foreign companies through linkage with local business communities and SMEs.

Meanwhile, the development of the Tomakomai Tohbu Area and the Mutsu-Ogawara Area, where Japan's important energy-related facilities are located, should be promoted and utilized as precious spaces for national development taking into account previous considerations.

## **(2) Boosting SMEs and industries based on regional resources**

Since SMEs support the creation of regional employment and the manufacturing of advanced goods, boosting them is essential for the regional economy. Therefore, the development of a business environment where SMEs support manufacturing should be actively promoted. This can be achieved through financial R&D support, networks with big end product manufacturing companies, securing human resources through practical education by building relationships with national colleges, improving management capabilities through the active introduction of information technology, and support for the success of basic technologies. Furthermore, the government supports the internationalization of SMEs by providing support for overseas operations, import and export, and collaboration with foreign production, sales and technology companies.

In order to extensively boost the regional economy, it is necessary to strengthen the tourism industry, as well as traditional industries and the agricultural, forestry and fisheries industry capitalizing on unique regional characteristics. As for the tourism industry, it is necessary to create more attractive sightseeing areas through proactive regional efforts and to increase capabilities to respond to diverse needs by establishing tailored business models.

In order to boost SMEs, the government will provide support for independent thinking to utilize regional tourism resources such as cultural heritage and natural landscapes, technologies in production areas, and agricultural, forestry and fisheries products. Moreover, it is important to create regional brands, develop new products which can be evaluated by the market, and try to expand to different fields by utilizing regional manufacturing cultures and skilled human resources involved in traditional industries. In doing so, it is also important to put the growing markets in the world in perspective and for the government, industry and academia to jointly address these issues.

Although the construction industry is the backbone of regional employment, it faces a drastic change of market environment. The development of this environment should be promoted for companies boasting excellent technical capabilities, to enable construction capabilities and management to grow through proper competition. At the same time, support will be provided as a new bearer of various needs including agricultural so that their potential will lead to regional



restoration utilizing various existing technology, know-how and knowledge relating to regional resources. Overseas operations will also be supported as its high technical capabilities and know-how can contribute to the development of a global infrastructure based on the fact there is currently a huge demand for construction throughout East Asia. Moreover, technological development of social infrastructure will continue to be promoted.

### **(3) Boosting the service industry**

The service industry accounts for approximately 70 percent of real GDP and employment. However, because there is a lot of room for improvement in terms of productivity, it is essential to boost the service industry in order to revitalize the Japanese economy.

Moreover, it is an important industry from the viewpoint regional economic growth. Also, the service industry is important for creating new employment and working styles because demand is expected to expand following changes in social structure and lifestyles, such as increased health-consciousness, population aging, women's participation in society, baby boomers taking on multiple jobs and a range of hobbies, and services utilizing IT to overcome geographical constraints. Furthermore, since business support and logistics/distribution are closely related to the manufacturing industry, improving productivity is important to strengthen competitiveness.

Therefore, regulatory reforms and standardization across a range of areas such as finance, broadcasting, communication and public services, as well as the full-scale utilization of IT are necessary. Moreover, the government will support improvements to service industry productivity by, for example, using scientific and engineering approaches and manufacturing control know-how, developing the customer satisfaction index, and building relationships with universities. Furthermore, the government will specifically implement measures in fields which are expected to develop in the future such as health care, welfare, childcare support, tourism, contents, business support, and logistics/distribution. In addition, the development of human resources contributing to innovation in the service industry and a drastic expansion of service statistics will be promoted.

### **(4) Improving labor supply to rural areas**

In order to revitalize regional industries, it is necessary to eliminate mismatches of labor supply and demand through a stable supply of the necessary high quality and diverse human resources. Also, it is necessary to strengthen regional economies by enhancing the flexibility of the industrial structure.

Therefore, the government should promote a balance of regular and non-regular employees, the recruitment of permanent employees through employment support for young people such as countermeasures against NEET (Not in Education, Employment or Training) and casual workers, employment support for women allowing them to balance work and the home, and employment support for elderly people by raising the mandatory retirement age and introducing an employment continuation system. Moreover, in order to promote telework, which would enable elderly people and those with young children to work from home in their free time, the

government advances research studies and development of a work environment contributing to its smooth introduction and efficient operation.

Prefectural, municipal and economic organizations should work together to promote the creation of employment and skills development to meet real demands. The government provides support for such efforts in the form of creating employment opportunities by attracting core or specialized human resources required for business start-up in urban areas and expanding business and skills development for job-seekers. Efforts such as information provision and consultation are also advanced utilizing government support systems. Moreover, support is given to business owners involved in employment creation and skills development in response to local employment conditions.

### **Section 3 Stable Food Supply and Revitalization of the Agriculture, Forestry and Fisheries Industry**

It is necessary to increase food supply capabilities and to address the issue of securing the supply of lumber through the proper development of forests. In doing this, it is necessary to take into account uncertainties concerning global supply and demand of food and lumber as a result of world population growth, the increase in demand for food and lumber as a result of the economic development of Asian countries, the increase in demand for bioenergy due to changes surrounding energy needs, and climate change.

Therefore, it is important to conserve resources and strengthen international competitiveness and quality by concentrating on the agricultural, forestry and fisheries industry.

#### **(1) Stable food supply**

In order to ensure a stable supply of food, it is necessary to appropriately combine imports and stockpiles from the viewpoint of increasing domestic agricultural production. Basically, it is appropriate to aim at covering more than 50 percent of the population's calorie intake through domestic production. However, it is necessary to take into account that the target for overall food self-sufficiency on a calorie basis is 45 percent by 2015, recognizing that feasibility during certain periods may need to be considered. To achieve this goal, from the viewpoint of production, the establishment of a desirable agricultural structure and the strengthening of agricultural competitiveness will be promoted. In addition, good quality farmland and water for agricultural use will be secured and effectively used. Moreover, the competitiveness of the fisheries industry should be strengthened, and the appropriate management of fishery resources and the comprehensive development of fishing ports and grounds should be promoted.

On the other hand, it is necessary to ensure food safety following heightened public awareness in this area. It is also necessary to provide accurate and sufficient information concerning agricultural and marine products and food in order to ensure reliability. Moreover, it is necessary to develop an environment which allows consumers to actively review their eating habits.

Therefore, detailed risk management concerning food safety will be carried out from production to the table including the production process of agricultural and marine products, the

manufacturing process of all food products and the supply process. In addition, accurate information will be provided in a way that consumers can easily understand, and a crisis-management system will be developed. Moreover, in order for everyone to be able to think independently and realize desirable eating habits, practical dietary education will be promoted as a national movement as well as the consumption of domestic agricultural products. In addition, a reduction of food waste and leftovers should be promoted. Furthermore, the purchasing of local produce will be promoted in such a way that consumers can see the faces of the producers, as well as to boost the local agricultural, forestry and fisheries and related industries.

In addition, efforts should be made to secure stable food imports by strengthening information collection concerning international trade and the supply and demand of food, and to eliminate impediments to trade by concluding an EPA. In doing so, it is necessary to fully consider the effects of structural reforms on the agricultural, forestry and fisheries industry and their multifunctional roles. Moreover, the appropriate and efficient stockpiling of produce such as rice and wheat should be promoted. Technical and financial cooperation to ensure the stability of the future global supply and demand for food will be implemented and the development of the global food stockpile system will be promoted.

## **(2) Establishing a desirable agricultural structure and strengthening competitiveness**

### **(Developing and securing agricultural management entities)**

It is necessary to establish a structure whereby efficient and stable agricultural management takes the majority of agricultural production by promoting the development and securing of principal farmers, and the sustainable development of agriculture.

As for development and the securing of principal farmers, specific and intensive measures will be implemented by designating principal farmers utilizing the certified farmers system. In doing so, in order to secure the position of female farmers who account for the majority of the agricultural workforce and play an important role in agricultural production and farming communities, an increase in the numbers of female certified farmers will be promoted. As for the cultivation of crops such as rice, the development of farming organizations centered on rural communities will be promoted. Moreover, in order to encourage principal farmers to develop their own agricultural management skills, efforts will be promoted to improve technology and business management skills and give higher priority to management. Furthermore, the new entry of motivated companies and young people should be promoted.

As for the stable management of principal farmers, measures will be taken to correct gaps in production conditions with other countries focusing not on individual items but on management of land use agriculture as a whole. As for vegetables and fruit, the promotion of contract deals directly with consumers and measures for supply-demand adjustment will be strengthened. Moreover, a range of efforts will be promoted for the development of management skills of principal farmers such as diversification of management by process and direct sales of agricultural products, multi-functionalization of management combining land-use, intensive and high value-added agriculture, as well as efforts to promote contract farming. In addition, support

will be provided for principal farmers to be able to independently and creatively address production such as technological development and the cultivation of a new market.

Moreover, from the viewpoint of utilizing a wide variety of human resources, it is necessary to promote new entry to agriculture regardless of working style, age and sex. Therefore, information will be provided for starting farming and seminars on agricultural technology and business management. As for those entering agriculture by UJI turn or dual habitation, efforts will be promoted to utilize existing agricultural technology. In addition, in order for elderly farmers to retain motivation whilst utilizing their knowledge and skills, efforts will be promoted to support new and principal farmers, and with regard to the conservation and management of regional resources.

#### **(Strengthening competitiveness)**

From the viewpoint of strengthening agricultural competitiveness, it is necessary for producers to accurately and actively address increasing and diversifying needs of consumers and the food industry, and to expand consumption inside and outside Japan.

Therefore, the development of production areas meeting processing- and catering-industry demands will be promoted by cutting costs, enlarging lots, and constructing a production system which provides an annual stable supply through linkage with other areas. In doing so, it should be taken into account that demand for agricultural products for the processing and catering industry will continue to increase. Moreover, connections between the agricultural and food industry as well as the utilization of knowledge from other industries will be strengthened. This will be achieved through industry-academia-government collaborations related to the regional food industry such as food industry clusters comprising the food industry, and other related industries, and the promotion of regional brands.

Moreover, it is expected that the demand for functional food and agricultural products which prevent illnesses and have health-enhancing effects will increase. Therefore, the creation of a new market will be promoted by developing and demonstrating the function of these products. A new use for agriculture beyond the framework of food production will be promoted by actively promoting the use/utilization of not only waste biomass but also unused biomass and resource crops which do not compete with the food supply, taking into account the increase in demand for biomass as an alternative source of energy.

Furthermore, in order to promote exports utilizing the characteristics of high-quality agricultural products, concerned parties need to make comprehensive collaborative efforts such as developing production areas to meet annual sales promotion and export needs, and the improvement of access to export markets through EPAs. In particular, as the East Asian market, which is expanding due to economic development, has a food culture different to that of Western countries, overseas operations will be focus on this.

#### **(Development of a foundation for agricultural management)**

In order to strengthen agricultural competitiveness and develop agricultural management, it is



necessary to develop fundamental elements such as technology and a production infrastructure. Therefore, the development and spread of new technologies will be promoted by actively using cutting-edge information and communication technology, and genome science. New technology includes innovative technology that drastically improves the productivity and development of functional agricultural products. From the viewpoint of protecting intellectual property rights, countermeasures against violations of developers' rights to protect new breeds will be promoted. As for agricultural production materials such as fertilizers, agricultural chemicals, agricultural machines and facilities, the rationalization of production, distribution and use will be promoted in order to reduce costs.

As for the infrastructural development of agricultural production, the acceleration of structural reforms of agricultural will be promoted. This includes the concentrated use of farmland emphasizing plane concentration, and enlargement of lots, which offer a good opportunity for developing and securing principal farmers. At the same time, the generalization of rice paddies and the development of irrigation facilities of dry fields corresponding to a range of regional agricultural strategies will be promoted. In developing infrastructure, from the viewpoint of creating an attractive and abundant rural natural environment, measures should be implemented that consider comprehensive conservation and the make-up of the rural environment such as ecosystems, landscapes and cultures. Moreover, from the viewpoint of the effective utilization of existing stocks, efficient renewal development and conservation management will be reinforced through promoting the extended life of agricultural water use facilities and reducing life-cycle costs. In doing so, conservation and improvement efforts should be promoted with the participation of a range of entities - not only local farmers but also local residents.

In addition, in order to convert the whole agricultural industry to one that prioritizes environmental conservation, agricultural environment practices will be determined and disseminated and highly sustainable agricultural production methods will be introduced. In addition, support will be provided for advanced farming activities which greatly reduce the environmental load. On the other hand, taking into account the viewpoint that consumer choice with regard to agricultural products and food will support conservation efforts, consumer awareness of these efforts should be raised.

In addition, as for areas with disadvantageous agricultural production conditions such as hilly and mountainous areas, measures will be implemented to readdress this from the viewpoint of securing of the multifunctional role of agricultural through appropriate production activities. Urban agriculture will be promoted in order to further respond to residents' needs with respect to the various roles of agriculture such as supplying fresh and safe agricultural products and providing spaces to relax and experience farming.

### **(3) Structuring resource recycling and forest management systems by revitalizing the forestry and logging industry**

#### **(Integrated revitalization of the forestry and logging industry)**

The interest of forest owners in the management of forests has waned following a decrease in

profitability due to a stagnation of the price of wood and depopulation in villages. There is a higher risk of sediment discharge from forests as thinning has been neglected. In addition, there are instances where replanting has not been carried out after logging. Therefore, adverse effects on cycles of good forest management are a concern. On the other hand, the global demand for lumber is on the increase following the increase in demand across East Asia and the increase in the world population. Prices of domestic and imported lumber products are also rising. Furthermore, we expect to see a drastic increase in forest resources being used for lumber products in the future as a result of the growth of domestic forests. Thus, the management of the forestry and logging industry is entering a new phase and facing challenges related to the reorganization of distribution and lumbering industries, an increase in lumber utilization technologies and the diversification of consumer tastes.

Regarding this drastic change as a good opportunity for revitalization, it is necessary to enhance competitiveness by ensuring a stable supply of a large volume of high quality and high performance lumber products, and by improving efficiency through commercialization. In addition, it is necessary to integrally revitalize the forestry and logging industry through a wider use of lumber products. Therefore, forestry entities such as forestry cooperatives will encourage forest owners to conduct thinning and implement it integrally so that the expansion of the scale of forestry management will be promoted. In addition, highly profitable forestry production activities will be promoted through the introduction of efficient production systems such as the development of road networks and the introduction of high-performance forestry machines. Moreover, during the processing and distribution stages, efficiency should be improved by shipping directly to mills and through the reorganization of the lumber market. The competitiveness of the logging industry should be strengthened by promoting product development in response to the expansion of the scale of lumber and processing as well as to consumer needs. Furthermore, from the viewpoint of satisfying consumer preferences for domestic lumber, forest owners, those involved in the logging industry and housing makers need to make efforts to construct housing utilizing local lumber.

#### **(Appropriate lumber use)**

Lumber produced from appropriately managed and conserved forests in Japan places a minimal burden on the environment. Therefore, it is necessary to promote its use with the aim of constructing a sound material-cycle society and preventing global warming. To this end, efforts will be made to educate consumers about the Japanese lumber industry, the benefits of lumber, and the significance of lumber use. At the same time, the development of attractive goods and products made from domestic lumber will be promoted. Moreover, in order to help consumers identify domestic lumber, a labeling system will be considered, and the use of local lumber will be actively addressed by developing public facilities such as schools and social welfare facilities.

As wood biomass is renewable and places a minimal burden on the environment, it is important for a sound material-cycle society and the prevention of global warming. To this end, in order for unused regional resources to be fully utilized, the construction of efficient and stable

collection systems and securing of end users will be promoted. Moreover, product development utilizing wood biomass-derived lignin, coal and bamboo will be promoted.

In order to conserve forests on a global scale, the use of legitimate lumber should be promoted in government procurement. At the same time, awareness should be raised to prevent local governments, companies and consumers from using illegally logged lumber. Moreover, in order to actively expand overseas markets including the East Asian markets, the development of the export environment of domestic lumber such as information collection should be promoted.

#### **(4) Appropriate management of fishery resources; strengthening international competitiveness of the fishery industry**

##### **(Revitalization and management of fishery resources)**

Fish and seafood represent approx. 40 percent of animal protein consumed in Japan, and the global demand for marine products is increasing with increasing health-consciousness in Western countries. On the other hand, it is necessary to make efforts to restore and manage fishery resources as the standard of fishery resources in sea areas around Japan remains low.

To this end, from the viewpoint of aligning the fishing industry with its resources, fishing activities should be managed at an appropriate level through correct fishing systems and fishing licenses as well as determining and enforcing total allowable catch (TAC) and total allowable effort (TAE). At the same time, the restoration and management of fishery resources should be promoted through resource recovery plans and strengthening controls against illegal fishing. From the viewpoint of international resource management, resource management in the high seas areas will be promoted through, for example, the strengthening of linkage and cooperation between Japan, China and Korea, and the conservation of tuna resources.

##### **(Developing and securing fishing management entities and strengthening the sales power of production areas)**

In order to develop and secure internationally competitive management entities, management development will be promoted by introducing fishing and production systems emphasizing profitability and energy-saving by substituting ships requiring less manpower. At the same time, new measures for stable management which minimize the effects of changes in income on fishery management will be introduced, and employment creation and new entry will be promoted.

Moreover, in order to ensure a stable supply of fresh and safe marine products that meet consumer needs, the strengthening of the sales power of production areas and the improvement of efficiency will be promoted by developing market-centered distribution bases for marine products and direct deals between producers and retailers. At the same time, the appropriate storage management of marine products for the purpose of increasing added-value through fishery processing and stabilizing supply and demand and prices will be promoted. In addition, the retail sector will be strengthened and new export strategies for marine products will be actively explored.

### **(Comprehensive development of fishing ports and grounds)**

Fishing ports have multiple roles including the sound development of the fishery industry, the stable supply of marine products, and supporting the lives and property of residents living around fishing ports. Therefore, a reduction in production costs, maintenance of freshness and upgrading of hygiene control, and the improvement of disaster preventive measures will be promoted.

Moreover, in fishing grounds, the development of a growing environment according to the different growing stages of marine organisms emphasizing nurture and resource management will be promoted. In doing so, in Japan's exclusive economic zones, the development of fishing grounds will be promoted in the same way as the development of environments for marine organisms, which require urgent measures for protection, breeding and culture fishery and as well as conservation and restoration of marine forests and tidal flats.

As for fishery around isolated islands, which are disadvantaged in terms of production and sales, restoration will be promoted through improvement of the production capacity of fishing grounds such as seed release. The management and utilization of fishing grounds have not been conducted fully due to a decrease in the number of fishermen and their aging.

### **Section 4 Realization and Sending of the World's Most Advanced Energy Supply-Demand Structure**

Global energy supply and demand balance is becoming difficult to maintain based on the rapid economic growth of emerging countries. Japan depends on overseas for most of its energy resources. In order to alleviate a range of multilayered energy risks, the government addresses resource diplomacy and environmental energy cooperation. At the same time, through further improvements in energy efficiency, curbs on consumption, diversification and decentralization of energy sources through nuclear power generation, the effective use of fossil fuels will be addressed. It is important to consider fossil fuels from the viewpoint of countermeasures against global warming.

Toward further improvement of efficiency, measures for transforming initial demand for new technologies, a labeling system concerning energy-saving effects, and support for changing energy-saving investments and energy-saving into a fascinating business are to be promoted. As for the oil-dependent transportation sector, the increase in biomass-derived fuels, the expansion of the use of diesel fuels, and the development and spread of battery and fuel-cell cars will be promoted. Moreover, nuclear power generation, which offers a stable energy supply and does not emit CO<sub>2</sub>, should be regarded as a future important power source. Also, it is necessary to ensure its safety, deepen the understanding of regional inhabitants, and to reduce dependency on oil. At the same time, R&D utilizing state-of-the-art technologies and measures to boost regional industries are to be addressed. Strategic technological development ranging from gradual improvement to innovative development will be addressed including the clean use of coals and the development and use of methane hydrate, which is in abundance in seas close to Japan.

Effective use of already existing energy contributes to countermeasures against global warming. Therefore, creation of photovoltaic areas should be aimed at with the goal of improving what is



called the regional self-sufficiency ratio. At the same time, new regional energy businesses should be developed based on the idea of "consumption of local produce" using new energies with high regionality such as wind power, biomass and snow and ice heat.

In order to improve energy efficiency and expansion of use of renewable energies in East Asia, the government fosters cooperation actively in areas such as the promotion of energy saving through technical cooperation and institutional frameworks, the introduction of new energies and a stockpiling system, utilizing international frameworks such as bilateral policy dialogues, the Asia Pacific Partnership (APP) for Clean Development and Climate, and the Kyoto Mechanisms. Moreover, the spread of energy-saving equipment and facilities by Japanese companies will be supported by promoting business exchange such as inter-industry dialogues.

### **Chapter 3 Basic Measures Concerning Culture and Tourism**

Each region in Japan has over a long history nurtured cultures unique to that region based on the climate. Distinctive cultures have developed in each region and create the regional atmosphere. Cultures form the bases of a regional identity, bring joy, excitement and reassurance, and nurture creativity. They also provide an environment where people can find connections, mutual understanding and respect for each other, and form a rich society where people can accept diversity. Furthermore, cultures can be attractive tourism resources or resources which contribute to regional growth as distinctive regional products. Efforts are being made to restore cultures taking into account the situations of regional economies in recent years. In doing so, the connection between industry and culture is being considered and roles that regional cultures play in boosting regional industries are gaining more attention. On the other hand, tourism is so closely related to regional resources that the development of tourist attractions will result in increased understanding of regional history, traditions and industries, and an appreciation of natural features. It also contributes to regional pride. Furthermore, if a number of people visit from Japan or overseas and boost tourism, cultures will be transmitted, and an increase in exchange through tourism will result in the creation of a new culture. In this way, culture and tourism are closely related, and it is expected that regions with unique qualities will be developed thanks to their synergetic effects. Therefore, basic measures concerning cultures and tourism will be taken as follows.

1. The preservation and handing down of distinctive and unique regional cultures as well as the creation of new Japanese cultures will be promoted for the purpose of improving cultural capacity. They will be transmitted and capitalized on throughout Japan and overseas.
2. In order to boost regional growth through tourism, internationally competitive and tourist attractions and boosting of the tourism industry will be promoted taking into account basic plans concerning promotion of a tourism-based country. At the same time, mutual understanding between regions as well as other countries will be promoted by actively transmitting cultures.

#### **Section 1 Affluent and Vibrant Communities Nurtured through Cultures**

Cultures themselves have unique values, and they also form the bases of regional identity by

deepening regional pride and becoming something that all residents can rely on. They strengthen community connections and lead to the creation of varied national land consisting of regions unique features. This exchange creates a new culture. Moreover, cultures can be the sources of new demand and high added-value in economic activities, and infrastructure of funds and human resources for further development of cultures will expand because of those activities. Thus, cultures and economy bring vitality to society because they are interrelated. Furthermore, in order to promote understanding of Japan and improve its images, it would be effective to increase cultural capacity and promote international cultural exchange with other countries.

In order to realize a vibrant and affluent society, spiritual richness, excitement and activate communication are the most important. Cultures with the universal capacity to bring courage and joy will play a vital role in the future.

### **(1) Conservation, handing down, creation and utilization of unique regional cultures**

Regional cultural heritage and cultural assets such as tangible and intangible cultural heritage, folklore cultural assets, monuments and buried cultural properties are essential to correctly understand our country's history and cultures. At the same time, they form the bases for the improvement and development of future cultures and are precious resources for regional growth. Therefore, cultural heritage with a unique value to the region should be preserved and utilized and various measures should be taken such as restrictions on changes to the current condition, and modification and disaster preventive measures. As for tangible cultural heritage, there are a considerable number and range of mainly modern cultural heritage buildings in danger of falling into ruin. Their conservation should be promoted urgently by loose protective measures.

Regional manners, customs and traditional arts have been formed through a close relationship with regional life and industry, and handed down to this generation. Furthermore, in each area in Japan, "wood culture," which utilizes lumber in the home in accordance with regional style to make everything from bowls and chopsticks to buildings, has been nurtured in Japan's long history. In rural communities, unique ways of life with farmland, forests and seas have been handed down continuously and there are also traditional arts, festivals, old farm houses, agricultural instruments and fishing methods.

However, traditional cultures which have been nurtured, protected and handed down by the local area are in danger of disappearing because of the declining and aging population and changes in lifestyles. Therefore, a master plan to promote integrated and comprehensive conservation and utilization of unique traditional cultures should be formulated. Also, the development of successors and projects such as creation of film chronicles will be promoted.

Moreover, as for traditional handicrafts, it is an idea to combine pride with the recognition of unique cultural values in order for techniques which have been nurtured throughout history to continue to be passed on to future generations. In this way, traditional techniques will be passed on to future generations and it is expected that they will take on a new lease of life.

Furthermore, it is important to have the view that the creation of new industries and products should be promoted by integrating traditional cultures into the modern day manufacturing culture,

positioning diversity and depth of culture as unique regional resources. Cooperation between a range of regional entities such as those carrying on traditional cultures, companies and the government should be promoted so that cultures generate new added-value in the regional economy.

Urban development capitalizing on history will be promoted through the conservation, renovation and restoration of historic buildings, industrial heritage, castle ruins and traditional cityscapes, and through the preservation and development of neighboring historic environments. In addition, attractive landscapes will be created by placing public art that is in harmony with neighboring cities and with neighbors utilizing the distinctive Japanese technique of a "borrowed landscape." This technique is shown in ancient pictures and gardens with Mt. Fuji in the background. As for cultural regional landscapes which have been created by people interacting with nature for their livelihood, such as rice terraces and satoyama areas, regions themselves will preserve and utilize them by promoting business and positioning them as cultural heritage. Moreover, it has been found that high-rise buildings and outdoor advertising are causing deterioration of regional landscapes. With respect to this issue, it is important not only to raise the awareness of each resident but also to find a solution through the cooperation between private entities and the government. It may also be necessary for public entities themselves to play an active role. Furthermore, the government and private companies will provide support for the activities of a range of entities such as NPOs, which contribute to the preservation and creation of landscapes.

Moreover, museums of cultural art, literature and manga associated with the indigenous population contribute to regional pride and, as such, are precious tourist attractions. Thus, each region should take the initiative to make creative efforts.

Japan's traditional and unique food culture, which has been passed down in rural areas, is disappearing due to dependence on imported food and the progress of catering industry. Traditional food culture will be encouraged to introduce local dishes and local ingredients to school meals to deepen interest and understanding from an early stage. Spreading and handing down of traditional food culture will be promoted by through dietary education in various ways. Furthermore, as Japanese traditional food is delicious, aesthetically pleasing and nutritionally balanced and is attracting considerable worldwide interest, it should be marketed overseas as one of Japan's attractive qualities.

## **(2) Opportunities for participating in cultural and artistic activities**

Local residents are the possessors of regional cultures. The improvement of regional cultural capacities and realization of fulfilling lives should be promoted through the proactive participation of local residents in cultural and artistic activities. To this end, the participation of local residents in cultural and artistic activities will be promoted by rediscovering the value of cultural resources in and around the region such as traditional events and festivals, and through regional activities of cultural and artistic organizations.

Rich cultures and art create fulfilling daily lives. Therefore, a range of artistic and creative

internationally recognized activities will be promoted. At the same time, opportunities for local residents to experience high quality culture and art, and to actually create and participate in them should be expanded. In order to secure opportunities to experience culture and art regardless of where people live in Japan, it is necessary to promote tours and exhibitions through wide-area linkage as well as to bridge regional gaps utilizing information and communication technology.

Sport should also be promoted. This is because sports activities in schools and throughout the region as well as community-based professional sports teams bring vitality and regional pride.

### **(3) Intercultural exchange**

Intercultural exchange not only plays a considerable role in developing mutual understanding but also brings about a new culture through fusion with different cultures. As well as exchange in Japan between urban and rural communities, international cultural exchange will be actively promoted in order to boost regional growth.

In particular, first contact with a different culture at a young age opens one's mind and expands possibilities for creating a new culture. Also, it fosters the development of excellent human resources that can contribute to regional development. Therefore, visits to regions from countries with different cultures and voluntary participation in international cultural events for Japanese and foreign tourists focusing on the younger generation should be promoted. In addition, both domestic and international cultural interaction will be promoted at the grass-root level. In doing so, individuals need an awareness of their role as cultural messenger.

### **(4) Development of an environment supporting cultural and artistic regional activities**

As the shortage of residents carrying on regional cultures has become more serious as a result of the declining and aging population, the securing of human resources to support cultural and artistic regional activities is an important issue. On the other hand, since those who emphasize the value of culture and art are increasing, cultural and artistic activities are widely supported by a number of people.

Therefore, consideration will be given to a movement which promotes the utilization of high-quality cultural volunteers including human resources both inside and outside the region. People will play an important role in supporting this movement. In order for a range of people to support culture, support will be provided for acquiring and managing land and buildings in order to preserve attractive natural/cultural environment and landscapes, and protect their values.

Furthermore, securing of people to carry on the culture will be promoted. This will be achieved by reinforcing opportunities to experience and participate in cultural and artistic activities through linkage with schools and companies, and by passing traditional cultures on to future generations through exchange with elderly people.

In addition, it is also necessary to develop art management officers who carry out duties which bring culture and art to the people. Higher education institutions such as universities may take responsibility in arranging cultural and artistic activities. Moreover, with growing awareness of CSR, the trend of companies providing support for society should be continued and expanded.



As for cultural facilities (cultural halls, art museums, museums and libraries) which form a base for cultural and artistic activities, it has been pointed out that they are not being fully utilized although they have developed considerably. Therefore, networking should be promoted. This can be achieved through mutual linkage among multiple facilities taking into account the needs of local residents with artistic and academic interests. Moreover, various spaces should be utilized effectively for tours, exhibitions and practice of regional artists, cultural and artistic organizations and residents. This includes empty classrooms, facilities of closed schools and idle facilities such as closed factories. In these cultural facilities, it is expected that good cultural and artistic activities will be performed in a flexible manner utilizing private funds, capabilities and know-how. On the other hand, more creative efforts should be promoted so that high-quality activities including cultural and artistic regional activities which have been nurtured are capitalized on and provided in a stable and continuous manner, not just prioritizing efficiency.

Moreover, support should be given to efforts such as the ecomuseum plan which is a plan to conserve and utilize the whole area as a museum by making full use of cultures and natural environment.

Cultures are based on the autonomous and proactive activities of all people and regions. Therefore, it is essential for the government to play a role in supporting various activities by private entities such as NPOs.

#### **(5) Creation and transmission of a new Japanese culture**

In recent years, Japanese entertainment products such as movies, music, computer games, manga and animation has come to be highly regarded both in Asia and around the world as part of a new Japanese culture. They have had extensive ripple effects on related industries such as the "character" business and are also valuable tourism resources as we have seen by the popularity of animation and film locations. Furthermore, they contribute to the strengthening of "soft power" by transmitting the cultural attraction of Japan as described in the phrase "Japan cool."

As quality is abundant, the government should promote the development of an environment where creators can receive appropriate payments, the development of human resources, the development of copyright systems, rewarding and producing good content, and R&D concerning contents. At the same time, in order for people to be able to select freely from a range of types and prices, the government should promote an increased supply of digital contents and the reusing of digitalized contents under a situation where broadcasting and communication are integrated. In doing so, the adoption of protection systems balancing creation, protection and utilization will be promoted. Moreover, as for movies, there is a concern that they cannot be preserved appropriately as many of them are owned by individuals or companies. Therefore, with regard to historically valuable materials, national and local governments promote the appropriate protection and utilization of materials according after the copyright has expired.

Linkage with other countries will be strengthened for the purpose of international exchange and information transmission through entertainment. This can be achieved through international events of contents, entertainment industry seminars, and linkage with other countries