Endogenous Regional Development

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Two Types of Regional Development Approach

**Endogenous Regional Development (EnRD):**
Process of regional development promoted by the initiative of the local people using local resources based on local biodiversity, culture, traditions, and skills.
(towards sustainable livelihood, e.g. OVOP)

**Exogenous Regional Development (ExRD):**
Process of regional development promoted by governments utilizing outside resources with legal controls, technical innovation, etc.
(towards rapid industrialization)

Mix of two approaches
Exogenous Regional Development (ExRD) in Japan

Modernization of Japan

Meiji Restoration (1868)

- Abolition of feudalism → modernization
- Agriculture-based economy → industrialization

Slogans “enrich the country and strengthen the military”
and “increase production and promote industry”

Attempts to emulate the West by introducing modern industrial technologies

Government-initiated industrialization

- Development of private enterprises → establishment of 4 major industrial zones,
  promotion of heavy and chemical industries,
  development of industrial bases, infrastructure
The end of WWII (1945) → post-war devastation → reconstruction to the pre-war level

- Priority production system (coal, iron and steel, electricity, and fertilizer) → trickle-down effect to other industries
- Comprehensive National Land Development Law in 1950
- Comprehensive development plan for special areas 1950-

(22 major water systems) → increase in food production, development of electric power resources, management of forests and riparian areas, water supply, rural-urban linkages → absorption of technologies

↑ dependent on foreign capital and technologies

Income Doubling Plan (1960)  
(The Pacific Belt Zone Plan)

Special areas for comprehensive development (1955)
Objectives:

Comprehensive use of national land, development, conservation, appropriate industrial location, improvement of social welfare

Regionally balanced development + economic development

New industrial cities and special areas for industrial consolidation

Shinkansen network and the expressway network (New Comprehensive National Development Plan)
<table>
<thead>
<tr>
<th>Development strategy</th>
<th>Basic objective</th>
<th>Target year</th>
<th>Approved year</th>
</tr>
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<tbody>
<tr>
<td>Development of selected key regions</td>
<td>Regionally balanced development</td>
<td>1970</td>
<td>1962</td>
</tr>
<tr>
<td>Promotion of large-scale projects</td>
<td>Improvement of environment</td>
<td>1985</td>
<td>1969</td>
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<tr>
<td>Integrated residence policy</td>
<td>Comprehensive improvement of human living environment</td>
<td>1985</td>
<td>1977</td>
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<tr>
<td>Integrated interaction policy</td>
<td>Formation of multi-polar pattern of national land use</td>
<td>2000</td>
<td>1987</td>
</tr>
<tr>
<td>Participation and cooperation</td>
<td>Creation of multi-axial national land structure</td>
<td>2010 - 2015</td>
<td>1998</td>
</tr>
</tbody>
</table>
Results

- High economic growth/stable growth – increase in GDP
- Accompanied by many problems
  - Rural-to-urban migration → occurrence of overpopulation and depopulation problems – socioeconomic imbalance
  - Environmental problems (pollution, loss of biodiversity)

Economic Growth Rate of Japan (1956-2004)
Population Concentration

Tokyo area: 26.7%, Osaka area: 14.4%, Nagoya area: 8.7%

* Overpopulated regions and depopulated regions → urban and rural issues → introducing industries to rural areas while restricting industries in metropolises
Environmental Problem

- Industrial pollution (1955-1975)

  → Anti-pollution measures;
  Lawsuits, citizens’ movement, municipalities’ movement,
  Anti-pollution Acts (Bottom-up system)

  Environmental standards, Anti-pollution technologies, P.P.P.
Regional Development Planning (Exogenous Regional Development)

- Prepare good business environment for industries
- Reduce regional disparities by dispersing industries throughout the country, as well as public investment and subsidies to rural areas
- Avoid overconcentration in big cities

Problems:
- Pollution, health problems
- Deterioration of the biodiversity and traditional culture of the region
- Decline in rural vitality, strong dependency on government
- Hollowization of small towns
Countermeasures

Legal Controls and New Technology
- Anti-pollution law
- Anti-pollution technical innovation
- Polluter-Pays Principle
- Nature Preservation Law
- Basic Environment Law
- Recycling-oriented technology and society
- Building Standard Law
- Disaster Management Plan

Rural Revitalization
- Depopulated Area Revitalization Law
- Intensive public works and special subsidy for rural areas

Endogenous Regional Development (EnRD)
Endogenous regional development (EnRD) measures utilizing local resources

Utilization of local resources based on local biodiversity, traditions, and skills. (“Only One”)

Creation of new local industries
Pursuit of a circular flow of local development activities (ex. Senary industry)

Conservation and Sustainable use of local biodiversity and environment

Nexus of urban-rural linkages

In contrast to exogenous regional development (ExRD) measures utilizing outside resources with legal controls, technical innovation, etc.

Community empowerment/revitalization
By the ownership of the local people and organizations (citizens, local governments, business enterprises, etc.)

In cooperation with outsiders

- Conservation
- Utilization
- Creation

\[ \text{Capacity Development}^* \]
\[ = \text{Sustainable Society} \]

* UNDP defines CD as the process by which individuals, organizations, institutions, and societies develop “abilities” (individually and collectively) to perform functions, solve problems, and set and achieve objectives.
Case Study: NPC Movement

Oyama Town, Oita Prefecture

- Population: 3,614 (As of 31 March, 2007)
- Households: 1,022
- Area: 45.72km² (79.2% forestlands; 7% 320ha of farmlands)

In 1961, Town Mayor initiated the “NPC movement”.

1st stage of the NPC movement, “New Plum and Chestnut” (1961~)

Income increase: Let’s go to Hawaii by planting plums and chestnuts

- From open-field agriculture to fruit cultivation based on local biodiversity
- Stabilization of production by introducing a multi-item small-lot production system based on local biodiversity
- Processing of agricultural products → establishment of primary-secondary industries
2nd stage of the NPC movement “Neo Personality Combination” (1965 ~ )

Human resource development

- Social education
- Training at collective farms (kibbutz) in Israel → experiencing group activities → learning how to work in groups → fostering leaders
- → strengthening ties among local people and promoting community development through various daily events
- Sister-city relationship with an Israeli town

3rd stage of the NPC movement “New Paradise Community” (1969 ~ )

Infrastructure development

- Construction and management of cultural facilities
- Development of access roads
- Cable television broadcasting
Since then:
Increase of agricultural products to 130 items (Major products: plums, apricot, enokidake mushrooms, herbs, and cresses based on local biodiversity)

- Nexus of urban-rural linkages: Development of tourist facilities, Satoyama tour, Local production for local consumption, Special local cuisine prepared with local products
  - Konohana Garden: Direct sales shop, Farmers’ homemade dishes

  Increase in opportunities for Oyama residents to meet non-residents

International exchanges

- Training in Idaho, USA: An American worked at the Oyama Town Office as coordinator of international exchange activities.
- Exchanges with Wuxian, Suzhou Province, China: A honey-production joint venture was established by the Oyama agricultural cooperative and the government of Wuxian.

Oyama Town promoted its activities to the Vice Governor → Vice Governor won the governorship and advocated the “One Village, One Product Movement”
Konohana Garten

The Produce Bazaar Pavilion

Umegura Commercial Museum
“One Village, One Product Movement”

- In 1979, Mr. Morihiko Hiramatsu, Governor of Oita Prefecture, which was experiencing a rapid population decline, advocated the “One Village, One Product Movement”.

  - To develop municipal specialty products that local people can be proud of
    
    ↓
    
  To turn them into signature brand-name products

  - To use the products to accelerate community development so as to encourage people to remain in their hometown

The governor held meetings with municipal mayors and residents and explained the importance of the movement. → The mayors and residents sympathized with the governor’s idea and then the residents started to take an action to carry it out.
Local yet Global

Three principles

Self-reliance
Creativity

Human Resource
Development

Source: Oita OVOP International Exchange Promotion Committee, JAPAN
Roles of the government

Lateral support

① Support for product development and technology enhancement = improvement of research and training organizations, extension centers (extension workers)

② Support for distribution and market enlargement = a call for “local production for local consumption,” early-morning sales at markets, Michino Eki (Road Station), product advertising at fairs and antenna shops

= Nexus of urban-rural linkages

③ Support for human resource development = provision of training and exchange opportunities, in-country and overseas trainings, awarding of prizes

④ Review of the financing system and provision of management guidance = institutionalized financing for activities centered on women and the elderly, provision of thorough management guidance, certification of female management consultants
From the year 1980 through 2001, the number of specialty products increased from 143 to 336 items (2.3 times’ increase), while sales grew from ¥35.9 billion to ¥141 billion (4 times’ growth).

Oita Prefecture produces the best-quality mushrooms and Bungo beef in Japan.

<table>
<thead>
<tr>
<th>Specialty products</th>
<th>338</th>
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<tbody>
<tr>
<td>Special facilities</td>
<td>148</td>
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<tr>
<td>Local cultural activities</td>
<td>133</td>
</tr>
<tr>
<td>Community development activities</td>
<td>111</td>
</tr>
<tr>
<td>Environmental activities</td>
<td>80</td>
</tr>
<tr>
<td>Others</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>840</td>
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Income Level Per Capita in Oita Prefecture

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<tbody>
<tr>
<td>Income per capita/year, ¥1000</td>
<td>1,299</td>
<td>1,567</td>
<td>2,375</td>
<td>2,664</td>
<td>2,794</td>
<td>2,647</td>
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Income level per capita in Oita Prefecture (2003)

- Highest in Kyushu region
- 25th among 47 prefectures in Japan


- Oita is the best in the Kyushu region
- 10th among 47 prefectures in Japan
Our Healing Hometown, Yufuin

Outline of Yufuin

- Located in central Oita Prefecture
- Area: 128km²
  - (8 km from east to west and 22 km from north to south)
- 400m-600m above sea level
- Population: 11,628 (2005)
- No. of households: 4,416
- Quiet plateau surrounded by mountains over 1,000m including Mt. Yufu (Yufu-dake), 1,584m
- Beautiful misty mornings
- Cows browsing on the grass
- White steam seen rolling from hot springs
- Hot-spring town, amount of hot water supply is the 2nd highest in Japan
- Main industry was based on agriculture, Satoyama and biodiversity
Yufuin in 1950’s and 60’s

- Yufuin was just an old-fashioned hot-spring town.
- Inns in Yufuin were in the red due to its decreasing popularity and faced with financial difficulties.
- Youthful inn-owners, farmers, and town officers started a campaign.
  
  **Goal:** Make the serenity of Yufuin an appealing tourist attraction!

- Three young inn-managers, who would become leaders for community development, visited Europe for 50 days in 1971.
  
  They were convinced that Yufuin had the power to heal people.

  “Let’s rebuild our Yufuin as a new resort area which can really heal visitors from urban cities while preserving our rustic scenery (**Satoyama and Biodiversity**) as it is!”

Community development with clear vision for creating a spa and health spa resort.
Earthquake hit the central part of Oita Prefecture on 21 April 1975
6.4 on the Richter scale.

- One hotel was destroyed, but rumors spread that Yufuin was seriously damaged.
- Tourists cancelled their bookings.
- The people of Yufuin had a difficult time stopping the rumors.

To Rebuild its good image
- Horse carriage started in 1975
- Yufuin Musical Festival started in 1975
- BBQ Festival conducted on the Satoyama started in 1975
- Yufuin Film Festival started in 1976
Cooperation among stakeholders

- Products such as beef and vegetables grown in Yufuin are sold to inns, and served to their guests
  = Local production for local consumption

Affluent Community Development Ordinance – Let’s make Yufuin comfortable for us to live in!

- New collaborative projects between the citizens and the government launched:
  “100-day Symposium for a Concept of Spa and Health Resort;” ”Regional Vision for Commerce and Industry.”
- Living Environment Preserving Ordinance: Require organizations concerned to receive consultation on height and color of construction when building large-scale construction.

Results

- According to polling by a national news paper, Yufuin was selected as the best hot-spring people wanted to go to.
  Reason: Quiet town with Satoyama and Biodiversity
- Magazines and travel agencies have also reported similar data based on their questionnaires.
- Yufuin is the best hot-spring town you would ever want to go to.
- The hot-spring has a long history of being famous for its healing properties.
- The number of annual visitors from all over Japan to a tiny town with a population of about 12,000 has increased to 3.8 million.
- Tourists are totally satisfied with its elegant Satoyama scenery. They bathe, walk along paths between the rice fields, and enjoy rustic and fresh local meals.
Factors for Success

• Local Leaders → challenges by youth in their 30’s
  → Leaders → 3 types of leaders are required: 1. Leader with planning ability
  2. Leader with coordinating ability
  3. Leader with PR ability

• Support System by Town Government
  → formulation of Ordinance on Urban Development for Affluent Environments

• People’s participation: sharing concept
  - did not aim for “Best one” nor “Number one,” but “Only One (=Yufuin-ness)”
  - considered small is great
  - Yufuin brings pride to local people to tell you “I’m from Yufuin,” or “Yufuin is my hometown.”

• Nexus of urban-rural linkages

Outcome: Human Resource Development

  developed outstanding human resources who have fertil imagination with a spirit of challenge
Case Study: Boosting the town’s economy under the leadership of the Mayor

Ikeda Town, Hokkaido prefecture (As of 1 Oct, 2006)

- Population: 8,329, Households: 3,569, Area: 371.91km² (60.7% forestlands)

Development of Tokachi Wine

Ikeda Town launched the “New Rural Development 5-Year Plan” in 1960 to develop new industries. →

The town focused attention on local wild grapes and conceived the idea of making wine from them →

Town officials were sent to Europe to learn grape and wine-making.

The town developed a new grape and new brand of red wine and won the bronze prize in an international wine competition in Hungary and grand prix in Bulgaria, and established itself as a producer of wine grapes.

Operation of a town-run winery → Profits → Road maintenance, hall construction, pottery factories, etc.

Collaboration with other local industries = Incentive to revitalize communities and the town

Source: Kiyonari Tadao, 1989
Case Study: Community revitalization through female entrepreneurship

Meiho-mura, Gifu Prefecture (As of 1 March, 2009)

- Population: 2,024, Households: 576, Area: 154.86km² (94% forestlands)

- After WWII, the village population drastically declined following mine closures – small-scale agriculture and forestry

- In the latter half of the 1980s, the village started to promote tourism development with a focus on ski resorts and biodiversity in anticipation of improved traffic conditions after the opening of an expressway and development of agricultural specialty products.

- In the 1990s, 5 third-sector organizations were established to boost the economy of the village.

- In July 1992, the 5th third-sector organization, "Meiho Ladies Co., Ltd." was founded.
  - President and all the employees (23) are female (farm housewives)
  - Development and sales of tomato ketchup as a specialty product
  - Sales of a gift package of specialty products
  - Development of a business base
Michinoeki (road station)

868 Michinoeki registered by MLIT nationwide

- Rest facilities for drivers
  → restrooms, parking facilities, restaurants, traffic information

- Revitalizing local communities
  ① Direct sales of local specialties such as agricultural products
  ② Job and income creation
  ③ Regional cooperation and get-together place for local people

- Provision of information on local tourist attractions, sites of interest and historical facts for drivers; interaction between local people and visitors

- Developed through cooperation between road administrators and local communities; managed by municipal governments or public services organizations

United Nations Centre for Regional Development (UNCRD)
Michinoeki “Meiho”

- Constructed in 1989 and registered in 1994
- Acts as the hub of the village
- Provides information on traffic events and local history, culture and biodiversity
- Sells specialty products of the village
- Has 8 adjacent diners
- Annually 600,000 visitors, annual sales of approx. ¥ 500 million, 18 employees
Community Business in Asuke: welfare, education, and tourism

Asuke town, Aichi Prefecture

- Population: 9,318, Households: 2,843, Area: 193.27 km² (as of 1 Dec, 2007)
- 2 million visitors/year
  - Maple planting by local temple priest (1624-1644)
  - Maple planting by local residents (1923)
    ↓
  - Korankei (famous maple-viewing spot) (1930)
  - Association for Preserving Asuke’s Landscape established by local residents (1975)

※ Community business refers to a business (profit-oriented) targeting a specific geographical area (locality), aimed at solving local problems (local contribution) and organized and operated by the local people (community initiative)
Proposed by municipal government officials and operated by the local people

- Sanshu Asuke Yashiki: Traditional houses, indigenous technologies, local environment (living museum Satoyama), working place for the elderly, tourism spot with education facility (1979)
- Hyakunenso: welfare center, aged working place for the elderly (1990)

- ZiZi Workshop (Ham production) operated by elderly men
- BaBaRa House (Bakery) operated by elderly women
- Restaurant operated by the private sector utilizing local products

AT21 (Asuke Tourism 21): local residents’ activities (1993)

Normalization, Job opportunities, Income generation, Life satisfaction for the elderly and residents by the local people
Processes of Capacity Development

- Of local people, by local people, for local people
- Cooperation among local residents, enterprises, governments, NGOs, etc. (Support system on information, technology, etc. from the outside)
- Leadership, organization and networking for activities (social capital)
- Urban-Rural linkages

↓

1. Recognition and sharing of issues at the local level
2. Setting goals and sharing a sense of values to work on the issues
3. Identifying potential local resources (Human, Natural, Physical, Financial, Cultural, Social Capital, etc.)
4. Creating ideas for utilizing resources
5. Creating Strategies/ Measures/ Actions
6. Implementing Actions
7. Monitoring/Evaluation → Improvement

Through this process ➔

Capacity Development towards Creating a Sustainable Society
Other Examples in Japan

- Declaration of Minamata City as an environment city
- Landscape preservation in Obuse Town
- Ecotourism in Yakushima Island
- Examples of OVOP-equivalents abroad
  - One Barangay One Product (The Philippines)
  - One Region One Vision (The Philippines)
  - One Tambon One Product Movement (Thailand)
  - Neuang Muang Neuang Phalittaphan Movement (Laos)
  - Neg Bag Neg Shildeg Buteegdekhuun (Mongolia)
Other Examples abroad

- Ger area upgrading: Mongolia
- Rural-Urban linkage: Bhutan
- Karst area development: Indonesia
Mongolia: Ger area upgrading

Awarded the 3rd IYSH Memorial Encouragement Prize
Bhutan: Rural-Urban Linkage

Environmentally-friendly project ⇒ GNH
Indonesia: Gunungkidul Karst Area Development

⇒ Combination among Mining, Agriculture, Processing, Marketing and Eco-tourism
⇒ Shift from conflict to synergy
Related Projects

♦ International Training Course on Regional Development
♦ Training Course on Regional Development by Sustainable Use of Biodiversity
♦ Training Course on Endogenous Regional Economic Development Utilizing Local Resources
♦ Seminar on Regional Development, Urban Planning and Housing Upgrading in Mongolia
♦ Seminar on Rural-Urban Migration in Bhutan
♦ Seminar on Sustainable Development of Karst Area in Gunungkidul Regency, Indonesia
♦ Seminar on Improvement of Housing & Living Environment in Bangladesh
♦ Seminar on Human Security, Sustainable Livelihood and Living Environment Improvement in Sri Lanka
♦ Seminar and Workshop for Poverty Reduction of Rural Communities in Tansen Municipality, Nepal
Thank You