1. Background: Crises facing municipalities in Japan

1-1. Background (1)

“Severe depopulation of national population”

According to a forecast by National Institute of Population and Social Security Research

2010: 128 millions (% of the elderly: 23%)
2050: 92 millions (% of the elderly: 39%)
Decreased by 28% for 40 years

1-1. Background (2)

The book, “Extinct Municipalities,” published by Hiroya Masuda, former governor of Iwate Prefecture, and his task force

Hiroya Masuda has forecast that:
• 900 of the 1,700 municipalities in Japan will be extinct by 2050 from the viewpoint of population reproduction.
• In other words, most municipalities, except for the three largest metropolitan regions, cannot maintain themselves without a quick and challenging response.

1. Background:

1-1. Background

1-2. Local administrative system in Japan

1-3. Japan’s “Heisei Pro-merger Action of Municipalities”

2. Crises for Hamamatsu City after the municipal merger

2-1. New Hamamatsu City and Tenryū Ward

2-2. Crises for New Hamamatsu City

3. In-depth analysis on crises for Tenryū Ward after the merger

3-1. Where are the marginal settlements located in Tenryū Ward?

3-2. How do the local people obtain services for daily life?

3-3. Is there a solution for crises?
1-1. Background (3)

“Marginal settlements”
Settlements nearing extinction.

Definition:
• Settlements suffering from severe depopulation and an aging population that are losing the ability to manage their communities.

Operational definition:
• Settlements with an elderly population of over 50%.

1-1. Background (4)

• Serious problems in sustainability of peripheral areas are enhanced by the national pro-merger policy of municipalities.
• Between 1999 and 2010, the number of municipalities in Japan fell from 3,232 to 1,727
• For many peripheral and merged municipalities, public service facilities shut down after the mergers.

1-2. Local administrative system in Japan

National government

Prefectures

Municipalities

1,727
(Cities)
786
(Towns)
757
(Villages)
184

Local governments

1-2. Major sources of municipal revenue Japan – Data in average

• Municipal taxes= 40% (residents tax, property tax, etc.)
• Local allocation tax grants=20% (Subsidy in accordance with national standards and the population of each municipality)
• National treasury disbursements=15% (Subsidy allocated for specified purposes)
• Other sources=25% (Fares, loans….)

1-2. Major sources of municipal revenue Japan (2)

• "Local allocation tax grants" and "national treasury disbursements" account for a large share of the revenue of relatively poor municipal governments in the peripheral zones of Japan.

• In particular, the total share of "local allocation tax grants" and "national treasury disbursements" within the revenue of municipalities that are designated as "severely depopulated areas" is as high as 60%.

1-3. “Heisei Pro-merger Action of Municipalities” (1)

• Meiji Pro-merger Action of Municipalities
  Period:1888-1889
  Purposes:
  Establishments of municipal governments and primary schools
  Number of Municipalities: 71,314 – 15,859

• Show Pro-merger Action of Municipalities
  Period:1953-1956
  Purposes:
  Establishments of municipal governments for full-fledge public services and junior high-schools
  Number of Municipalities:9,868-3,975
1-3. “Heisei Pro-merger Action of Municipalities” (2)

- Period: April 1999 - March 2010
- Another reformation on regional policy of “Trinity Reforms” (2003-2005) simultaneously conducted
- Pro-merger purposes:
  1) Reduction of national and local debt (over 10 trillion US$).
  2) Devolution of authority from national to local governments
  3) Corresponding to expanded activity areas
  4) Providing professionally public services

1-3. “Heisei Pro-merger Action of Municipalities” (3)

- Municipalities decreased from 3,232 to 1,727 by 47%
- Spatially huge municipalities emerged.
- 22 municipalities have areas over 1,000 km².
- Critical problems emerged in merged municipalities or peripheral areas.
  - Declines in population and economic activities
  - Deterioration in public services
  - Loss of public awareness of and involvement in politics
- Outcomes
  - Expansion of intra-differences between central and peripheral areas within municipalities

2. Crises for Hamamatsu City after the municipal merger

2-1. New Hamamatsu City and Tenryū Ward

New Hamamatsu City
- In July 1, 2005, 11 neighboring municipalities merged
- Population: 818,000, area: 1,558 km² in 2005
- In April 1, 2007, named “Ordinance-designated City” by the national government
- This city consists of highly industrialized areas and depopulated areas.

Tenryū Ward
- Tenryū Ward is located in the northern part of Hamamatsu
- It consists of a mountainous region
- It suffers from depopulation and an aging population, especially after merging into Hamamatsu City.

Note: Ordinance-designated cities

- Administrative system for large cities with populations over 700,000
- Almost the same authorities as prefectural governments
- Japan has 20 ordinance-designated cities.
- Wards and ward offices with management functions of family and basic resident registration, municipal tax, health care, and social welfare

Hamamatsu City and Tenryū Ward

Merged municipalities

Tenryū Ward

Former Hamamatsu City

20 km
2-2. Crises of New Hamamatsu City

- Depopulation and an aging population
- De-industrialization
- Very large territory of Hamamatsu City with difficulty to maintain huge infrastructures
- Large intra-differences in population and economic activities between the central areas and the peripheral areas, such as Tenryu Ward

Deindustrialization:
Relocations of large factories from Hamamatsu

- Relocations of factories to foreign countries
  - China, India, Indonesia, Thailand, Vietnam
  - Hungry, USA
- Relocations of factories to other regions of Japan
  - Honda: Kumamoto, F.C.C.: Kumamoto
  - Suzuki to Toyokawa
- Relocations to other neighboring areas of Hamamatsu
  - Yamaha: Kakegawa

3. In-depth analysis on crises for Tenryū Ward after the merger

Population forecasting of Hamamatsu City
Decreasing rate: -15% for 30 years
Elderly people rate: 40% in 2040

3.1 Research questions on the crises of Tenryū Ward

1) Where are the marginal settlements in the peripheral areas?

2) How do the local people obtain services for daily life?

3) Are there any solutions for crises?

3-1. Where are the marginal settlements located in Tenryū Ward?

Population change rates of new Hamamatsu City: by former municipality (2000-2010)

Marginal settlements in Tenryū Ward

Marginal Settlements
Rate of elderly people: over 50%

Distributions in the marginal settlements of Tenryū Ward

Over 40% of settlements are classified as “Marginal Settlements”

3-2. How do the local people obtain services for daily life?
Accessibility level to service facilities for daily life in Hamamatsu City after Jun Nishihara (2015) “Quality of life foreign residents in Hamamatsu”

Locations of service facilities for people’s daily life

3-3. Are there any solutions for crises?

Areal scheme of central settlements for the sustainability of the peripheral areas

Report by a local research organization in Shizuoka Prefecture
- The population decreased reversely in accordance with the level of service facilities for the population’s daily life in the depopulated areas.
- Intensify budget to maintain central settlements where people can enjoy good “quality of life.”

Six categories of service facilities

<table>
<thead>
<tr>
<th>Service Facilities</th>
<th>Tenryu</th>
<th>Haruno</th>
<th>Tatsuura</th>
<th>Sakuma</th>
<th>Misakubo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarkets</td>
<td>6</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Retail stores*</td>
<td>48</td>
<td>16</td>
<td>2</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>Post offices</td>
<td>13</td>
<td>5</td>
<td>2</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Primary schools</td>
<td>7</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Hospitals</td>
<td>15</td>
<td>7</td>
<td>2</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Public offices</td>
<td>13</td>
<td>5</td>
<td>2</td>
<td>6</td>
<td>2</td>
</tr>
</tbody>
</table>

Data: NTT telephone directory of establishments in Tenryu Ward through the website, “i-town page” (http://itp.ne.jp)
Note: * means retail stores except supermarkets

Five classes of settlements by levels of service facilities

1) Central settlements (Centers) Settlements with supermarkets and four or five categories of service facilities
   - Supermarket
   - Retail stores
   - Post offices
   - Primary schools
   - Hospitals
   - Public offices
   (Ward office + Branch office + Small branch office)

2) Sub-central settlements (Sub-centers) Settlements with supermarkets and three categories of service facilities

3) Smaller sub-centers Settlements with only a retail stores category

4) Settlements adjacent to the center and sub-centers Settlements with no facilities and adjacent to the centers or the sub-centers

5) Peripheral settlements Settlements with no service facilities
Daily shopping behaviors for foods are confined within a territory of a former municipality.

An areal scheme of the central and the sub-central settlements is practical.

Concluding remarks on crises for Tenryū Ward

- The former municipalities in the Tenryū Ward are suffering from severe depopulation, especially since the merger.
- More than half of the settlements have already become “Marginal Settlements.” The people, however, wish to continue living here.
- The people in the 1) centers and the 2) sub-centers can enjoy good quality of life. If the people in the 3) and 4) settlements can travel within 5 km, they can obtain a minimum level of good quality of life.
- However, only 25% of the Tenryū Ward’s people live in the 1)-2) settlements. We should assist the people in the 3)-5) settlements to move to the 1) and 2) centers.
- We should develop an areal scheme of centers & sub-centers.

Possible solutions

- Utilization of public apartments located in the central and the sub-central settlements
- Subsidiary by municipal governments for the people to purchase new houses in the centers and the sub-centers
  - How about 20% of their mortgages?
- Adoption of small public transportation system, shared-taxi system, partly subsidized by the government

Thank You