

## Chairperson's Report

At the Fourth East Asia Local and Regional Government Congress in fiscal 2013, discussions were held mainly in the form of group discussions about each theme, which have been conducted since the Second Congress and received favorable evaluations by participating members.

Two themes were selected, as common tasks for local and regional governments, by the Secretariat Nara Prefecture through questionnaires answered by Member Governments. They were "Social Security in terms of Aging Population and Decreasing Birth Rate," which was continued from the previous year, and "Regional Economic Development and Employment," which was a new theme, and group discussions were conducted on these themes.

We had Member Governments select themes in advance and then participate in discussions for each theme.

During the discussions by "high working-level participants" that were conducted yesterday (the 20th), participants exchanged opinions with each other and heard evaluations by the lecturers, focusing on the regional reports that were submitted in advance.

At today's (the 21st) meeting, former Secretary-General of ASEAN and visiting professor at Nara Prefectural University Surin Pitsuwan first gave a keynote speech titled "Future of Asia."

Surin Pitsuwan gave a dynamic message of support, saying things such as the following: "It is great for the East Asia Local and Regional Government Congress to be operated at the regional, community, and grassroots levels, and to work together to develop the abilities to contribute to people's safety, peace of mind, welfare, and prosperity." "I hope that all of you who have gathered here will not stop at the position of local or regional government. You are not screws in a giant engine. The visions of the leaders of each country cannot be realized without the strengths of local and regional governments. Local and regional governments themselves can contribute to bringing about a better world." "I of course hope that this government congress will continue to be held from now on, and also that, in addition to local and regional governments, other entities and various organizations will participate and accumulate education, enlightenment, and exchanges."

After that, the three lecturers for each theme gave overview reports on the high working-level participants' group discussions that were held the previous day.

Next, based on the keynote speech and high working-level participants' discussions, lively discussions were conducted by heads of local and regional governments, and understanding of the tasks of each government was further deepened.

The following is a report summarizing the following two points as broad results (overviews) of the discussions for each theme.

- I. Specific measures as local and regional governments
- II. Specific measures for further improvement in the future

Please note that although this chairperson's report was made by the Governor of Nara Prefecture, who is the chairperson, and Nara Prefecture, which is the Secretariat, the lecturers for the group discussions gave accurate advice and guidance for summarization. We would like to express our sincere gratitude for their cooperation and support.

## **Theme 1: Social Security in terms of Aging Population and Decreasing Birth Rate**

### **I. Examples of undertakings by individual local and regional governments**

#### **1. Support for elderly people**

##### **(1) Community-based integrated care**

- Establishment of a "Kyoto organization to promote community-based integrated care" that aims to realize community-based integrated care with a system throughout Kyoto, and promotion of collaborative policies for medical treatment, nursing care, and welfare that are difficult for municipalities to undertake. Implementation of things such as collaborative projects for medical treatment, nursing care, and welfare, and a Kyoto community-based integrated care general subsidy project. (Kyoto Prefecture)

##### **(2) Nursing care prevention and creation of reasons for living**

- As an undertaking to prevent nursing care, aid for medicine costs if blood pressure is registered at a healthcare center. Provision of necessary services such as meals, bathing, and conversation partners for people who require nursing care. As measures for healthy elderly people, support for various activities to prevent dementia, etc., such as singing, dancing, and recreation. (Gyeongju City)
- Conducting health examinations once a year for all elderly people. Regional efforts for mutual assistance and support so that elderly people do not become isolated. In addition to encouragement for various cultural activities, recreation, and sports, etc. in order to promote social participation, municipal establishment of universities for elderly people so that they can study and re-learn the things they want to study. (Shandong Province)

- Conducting projects in regions to support activities to prevent nursing care and create reasons to live, by doing things such as developing volunteer groups to prevent nursing care and support daily life, etc. (Dazaifu City)

### (3) Creating health

- With the objectives of extending average lifespan and healthy lifespan and reducing the differences between them, promoting undertakings for improvement of both a residents' movement to create health and the medical system, focusing on a "project to create health and improve medical treatment." (Nagano Prefecture)
- In order to comprehensively and in an integrated manner promote policies that aim to make the prefecture number one in Japan for healthy longevity, formulation of a "Nara basic plan for healthy longevity," and promotion of effective links with related plans in individual fields such as health, medical treatment, welfare, and nursing care. (Nara Prefecture)

## 2. Measures against the declining birth rate

### (1) Economic support

- Promotion of creation of an environment in which people can have peace of mind for raising children and children grow healthily, through things such as projects to provide aid for fertility treatment expenses (projects to support for having a baby) and aid for medical treatment expenses (since fiscal 2012, expanded to students up to the end of elementary school for hospitalization). (Tenri City)
- Creation of an environment to overcome the declining birth rate, and conducting things such as support for childbirth and child-rearing by giving gifts for childbirth, etc. (Gyeongju City)

### (2) Improvement of the child-rearing environment

- Since declaring establishment of Tottori as a kingdom for child-rearing in 2010, promotion of various efforts through collaboration with municipalities, etc. in order to prepare an environment for child-rearing. (Tottori Prefecture)
- Promotion of preparation plans to combine kindergartens that have few children with nursery schools in the same area. Expectations that many children of different ages will experience various things and grow by eating lunch together and playing in sports festivals. (Kashihara City)
- In order to establish a corporate culture in which there is a balance between work and family, operation, etc. of a "Jeollanam-do Province headquarters for creating an environment in which it is easy to give birth to children." (Jeollanam-do Province)
- From the perspectives of facility management and bringing about higher-quality education and childcare for children, combining or abolishing 8 nursery schools and kindergartens in the city and promoting creation of 3 childcare centers. (Gose City)

### (3) Support for marriage

- In light of Gyeonggi Province's 1.35 birth rate, implementation of things such as "order-made population education" in which education is conducted according to the

ages and ranks of junior high and high school students, university students, and military personnel, etc. (Gyeonggi Province)

•Promotion of a “Tottori project to support finding marriage partners” through things such as holding matchmaking events and disseminating e-mails with information about events. (Tottori Prefecture)

## II. Promotion of measures for the declining birth rate and aging population from now on

### 1. Breaking away from a two-category system of a “supporting side” and a “supported side”

By combining creation of regions that respond to aging, support for child-rearing, and support for people who have difficulties with daily life, and developing synergistically, we will change to a social system in which all members participate and build a new “mechanism of mutual support.” In particular, by increasing social participation by elderly people, including employment, a new East Asian model is conceivable as a result of changing from a “supported side” to a “supporting side.”

### 2. Promoting support for elderly people, with creation of health and prevention of nursing care at the core

In light of the fact that in the future the expenses for medical treatment and nursing care benefits will increase due to further aging, from the perspective of controlling social security expenses we will position as the core of support for elderly people “extension of healthy longevity” in which people can live independently and in good health without requiring nursing care.

### 3. Future methods for local and regional governments to provide welfare services

Using the undertakings of places such as northern Europe as models, we will work to change from cash benefits to provision of welfare services. For example, things such as preparing an employment environment in which women can continue to work even if they give birth and providing support so that the levels of people’s daily lives do not decline when they are raising children are precisely the kinds of efforts that local and regional governments can make by using their own ingenuity.

## **Theme 2-1: Regional Economic Development and Employment (Lecturer: Tokio Kusumi)**

### I. Examples of undertakings by individual local and regional governments

## 1. Stimulation of local economies

### (1) Creating mechanisms

- In Mitsuke City, for which tourism was not discussed, new tourism was developed by combining Mitsuke English Garden, Japanese-style lunches (A-class gourmet food), tours of knit factories, and factory outlet shopping. (Mitsuke City)
- We began new stimulation of industry, with a theme of Chinese medicine, which has strong ties with the region. (Nara Prefecture)
- As a unique tourism menu, we are creating tourism products such as experiences restoring excavated earthenware, etc. We were able to create Asuka new tourism, and work together to produce results of experience-type tourism. (Asuka Village)
- Momentum for overseas expansion is increasing as a result of attraction of JETRO Yamanashi. (Yamanashi Prefecture)
- While rejuvenating isolated villages, we are making maximum use of abundant nature and the value of having one of the best broadband environments in Japan, and developing empty houses as satellite offices for companies. (Tokushima Prefecture)
- We are utilizing the grave of King Hun, which was registered as a World Heritage, and working to attract more tourists from other countries. (Phu Tho Province)
- We are conducting things such as visits to Germany's Oktoberfest, making maximum use of Japanese sake, which is strength of the region, and holding sake events. Such challenges that were considered reckless 10 years ago are being recognized, as a "*Niigata sake no jin*," as opportunities for major business negotiations, with many buyers from other countries now visiting, and the difficulties of the past are connecting with the present. (Niigata Prefecture)
- From the perspective that disasters cannot be prevented but can be mitigated, we are utilizing the know-how accumulated from the Great East Japan Earthquake, and creating industries by doing things such as developing disaster stockpile foods by creating powders of vegetables, etc., and working to improve productivity by producing lettuce, etc. using LED lighting. (Tagajo City)

### (2) Promoting location

- Promotion of related industries using support for fuel cell research at Yamanashi University and the results of that research. Successful examples the abilities of a professor expanding to an industrial-academic cluster. (Yamanashi Prefecture)
- Companies were increasingly regionally dispersed as a result of tightened regulations in the metropolitan area, but as regulations are being relaxed in the metropolitan area, we are striving to improve the appeal of the region through things such as preparation of the schools and other parts of the surrounding daily life environment so that companies will not return to the metropolitan area. (Seosan City)
- The fact that the prefecture and municipalities are collaborating closely to attract companies is being evaluated favorably by companies. The city level is playing the main role and the prefecture is providing back-up. (Shimane Prefecture)
- We attracted Hyundai Wia, which is an international company related to automobiles, concluded MOUs with Linde Co., which is a German producer of special gas, and with Continental Co., which is a company that manufactures batteries, and these things have brought about economic ripple effects. (Seosan

City)

## 2. Securing employment

### (1) Securing human resources

- Training female translators has led to employment of women amid the background of Nara Prefecture being a historic and cultural city. (Nara Prefecture)
- Through a hands-on internship project (internships of approximately 6 weeks) university students are going beyond mere workplace experiences, undertaking projects as on-site capabilities, and deepening their understanding of the region's small and mid-size companies. (Gifu Prefecture)
- It is also necessary to listen to the opinions of young people in order to create cities where young people want to live. (Nara Prefectural Assembly)
- We are actively working to develop skilled workers in order to improve the productivity of the workforce. (Phu Tho Province)

### (2) Securing opportunities

- New movements have become visible in tourism for historic local resources, which are shared by Nara Prefecture, Shimane Prefecture, and Asuka Village. There is a need for ingenuity to make tourism into opportunities for women and elderly people to be employed and active.
- Eighteen Tokyo companies opened satellite offices (employment for 40 people). Countryside areas that had been presumed to have no places to work are changing into places where young people work. (Tokushima Prefecture)

## II. The state of regional economic development and employment from now on

### 1. Persistent challenges

- It is important to promote to the public that the current situation cannot be maintained without new challenges, obtain agreement, and constantly take on challenges without fearing mistakes, within the permitted extent.
- It is necessary for each region to transmit its appealing points and work together. We must do this in order to lead to a change in young peoples' sense of values from "living in the capital" to "living in regions."
- Satellite offices mainly for IT companies are being realized in various areas. Local and regional governments must recognize, as a significant movement, the reality that young people are settling in regions and disseminating business from the regions.
- Now is not an era in which we can intentionally call for industries of a scale that employs 1,000 people. It is necessary to keep stable industries that match the region as an important viewpoint and continue to consider "mechanisms."
- As for employment, there is a task of mismatching. Ingenuity is necessary for disseminating information about job-seeking. In a society with a declining population, we must actively consider opportunities for employment of women. Elderly people can be considered for human resources in charge of city development. We can expect such things to lead to a society with healthy longevity, create dynamic regions, and control medical treatment expenses.

### 2. Awareness reforms

- By responding to residents' requests, as in the 5S and 5Pum movements introduced by Seosan City, through overall activities in order to reform the awareness of local government employees and the local government service system, it will become easy to obtain citizens' participation and cooperation.
- The most important thing is changing citizens' awareness. In order to do that, it is important to first change the awareness of local government employees and develop human resources that will connect citizens and the local government.
- Local governments with limited financial resources and manpower should put efforts into the very question of how to use unique regional resources.

### 3. Responses to globalization

- Even if large companies are attracted, it is important to be aware that there are risks of withdrawal, etc. among globalization and to think about how to handle such things.
- Asking companies to definitely grow only in their own countries or regions does not match the era. We should probably think of ways of surviving along with other regions.
- Factories that make products intended for wealthy people will remain within Japan. Factories that make products intended for the middle class will eventually expand to other countries. For factories that make products intended for poor people, it is necessary to be aware that technology transfers will be made.

## **Theme 2-2: Regional Economic Development and Employment**

**(Lecturer: Kosuke Motani)**

### I. Examples of undertakings by individual local and regional governments

#### 1. Promotion of regional companies that utilize the characteristics of the region

##### (1) Creation of new industries that utilize local resources

- We are working for industrial-academic collaboration in fields such as organic electronics, in which Yamagata University and prefectural companies have cutting-edge seeds, and fields that utilize the biotechnology of the Keio University research center located in Tsuruoka. Progress has been made to the stage where organic EL lighting panels of a global top level have been turned into products, and it can be noted that development of intrinsic industries is progressing through collaboration by universities and the region. (Yamagata Prefecture)
- We are working to develop and accumulate new growth industries that utilize the regional resources and technologies, such as "rare sugar," "olives," and "K-MIX" (a Kagawa remote medical network). (Kagawa Prefecture)
- We are utilizing accumulation of existing industries and collaboration with universities, and developing 3 clusters of medical-related industries in the East area,

food and medicine in the central area, and light and electronics industries in the West area. (Shizuoka Prefecture)

(2) Promotion of local production and external sales

- In order to complete the processing process within Kochi Prefecture and venture into dynamic markets outside the prefecture, with the objective of “having local industries sell things outside the prefecture and young people work in the region with pride and aspirations,” the prefecture is conducting things such as direct matching between primary industries and processors, assigning advisors, and strengthening sales to metropolitan areas. (Kochi Prefecture)
- Rich agricultural resources are being utilized, and added value from processing industries is being made. We are specializing in fruit, and because we are close to the consumption area, entrepreneurs have been selling processed products individually, more than through JA (agricultural association). (Wakayama Prefecture)
- We are working to stimulate food-related industries that utilize accumulation of quality ingredients and good food companies. Creation of sixth industries in agriculture, agricultural, commercial, and industrial cooperation, creation of brands, and dissemination of information, etc., through technical support for things such as processing at a base facility “Agri Park” and marketing. (Niigata City)

(3) Developing entrepreneurs

- In order to work to promote business start-ups, several times a year we are conducting a “business cafe” at which university students and future entrepreneurs can interact with business managers, holding business contests, and working to uncover new business opportunities. (Nara City)
- As support for business start-ups by young and senior citizens, we are providing support for business start-ups from when they are launched until they become established at the level of a small or mid-size company, and leading to business start-ups in fields of manufacturing and intellectual assets. (Chungcheongnam-do Province)

2. Stimulation of the tourism industry

(1) Preparing tourism resources, attracting tourists, etc.

- Industry stimulation centered on an axis of tourism is a task. We are preserving the traditional cityscape, establishing a “Naramachi Machiya Bank,” and rejuvenating empty houses as tourism resources. We are undertaking things such as holding events such as Nara To-Kae and “Naramachi Night Culture,” in which people can enjoy traditional performing arts and craftwork experiences. (Nara City)
- We are disseminating local resources to the rest of the world through art. We held “Art Setouchi 2013,” which was a modern art festival with venues on the islands of the Seto Inland Sea, and 1,070,000 people attended. Ripple effects are occurring in a broad range of industries such as the tourism industry, with people moving to the islands. (Kagawa Prefecture)
- For tourism, we are putting efforts into eco-tourism. We are preparing infrastructure by doing things such as rejuvenating forests and preparing mountain trails. Tourists are increasing as a result of development of human resources such as mountain

climbing guides and diving guides. In addition, we are having success with attracting financial institutions and shopping malls, etc. by preparing various types of laws and exempting taxes for investment, and the number of employed people is also increasing. (Municipality of Baler)

- Amid harsh economic circumstances, we are establishing preservation zones and taking measures to prohibit fishing, in order to preserve the natural environment. Trash disposal is a task, but we are not putting it in landfills. Disaster prevention measures are also tasks. (Municipality of Baler)

### 3. Changes and development of regional structures, and stimulation of regional economies

#### (1) Promotion of favorable economic cycles within regions

- We have promoted regional economic development strategies to change from a focus on agriculture to a focus on manufacturing, and we have achieved remarkable growth, but due to a situation in which people engaged in the manufacturing industry originally came from other regions, and regional income is not consumed within the region but instead flows outside the region, we are creating an “shared-growth industrial complex,” preparing things such as medical and school facilities, and promoting residency. We conducted things such as promotion of cooperation projects so that large companies and small and mid-size companies will grow together. (Chungcheongnam-do Province)

#### (2) Efforts to develop “inland frontiers”

- We are working for regional stimulation with collaboration with coastal areas, by using the opening of the Shin-Tomei Expressway as an opportunity to create a region in which industries are located in both inland and coastal areas and that has scenery and uniqueness, in addition to the coastal areas that are weak against tsunami disasters. (Shizuoka Prefecture)

#### (3) Promotion of road policies

- We are formulating a basic plan for preparation based on ordinances related to road preparation. Using that plan, we will change the regional structure that has developed through preparation of roads and railroads between Nara and Osaka, and create tools for resolving tasks such as the fact that there is a high ratio of employment outside the prefecture and there is also a lot of consumption outside the prefecture. (Nara Prefecture)

### 4. Other

#### (1) Creation of employment for young people

- In order to prevent young human resources from flowing outside the region, we are working on unique creation of employment, through things such as a “project to develop 100,000 star high school graduate human resources,” in which we have people first find jobs and learn techniques and then enter university later. (Gyeongsangbuk-do Province)

#### (2) Tasks for promoting land development

- It is necessary to prepare for earthquakes and move to elevated land in order to avoid tsunami, but a task is that it is expensive to do such things. (Wakayama Prefecture, Kochi Prefecture)
- There are tasks such as procedures for changes to agricultural land, and strong regulations, etc. for cultural assets. (Shizuoka Prefecture, Ikaruga Town, Chungcheongnam-do Province)

(3) Education institutions and stimulation of industries

- There are few universities directly linked to local industries, and a task is collaboration with universities. In particular, there are no science and industry universities, and when outstanding human resources go to universities outside the prefecture they do not return to Nara. (Nara Prefecture)
- Although there are universities, many students come from the Seoul metropolitan area and therefore return to the capital to find jobs. (Chungcheongnam-do Province)

## II. For the future

### 1. Summary

- The decrease in the working-age generation and the rapid increase in the absolute numbers of elderly people are common tasks for Japan, China, and South Korea.
  - Because in the end domestic demand is linked to the number of people in the working-age generation and the number of people who are employed, in order to increase local consumption and income and invigorate the local economy, the following things are necessary.
- (1) Stopping the declining birthrate, increasing the number of young people, and increasing employment with high wages for young people
  - (2) Having elderly people work as long as possible, and expanding consumption by elderly people
  - (3) Increasing the number of full-time housewives and other women who become employed
- Another common task for each region is to increase the ratio in which the economy is cyclical within the region and increasing employment in the region by increasing consumption within the region.
  - The previous regional gaps in levels of development and differences between Japan and South Korea have disappeared, and the same kinds of problems are arising in each region at the same time. It will be possible to notice new things if individual regions take on their own creative undertakings and continue to actively conduct exchanges from now on.