

# **Approach to Policy for Major Cities**

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**Japan Business Federation**  
**(Keidanren)**

# A Turning Point in Policy for Major Cities



1. Bolster cities' international competitiveness
2. Preserve and renovate dilapidated infrastructure for transportation and other urban amenities
3. Improve resilience to major natural disaster
4. Address the rapidly increasing number of senior citizens
5. Address environmental issues

→ **As Japan matures socioeconomically, its policy for cities needs to change qualitatively**

+

International interest building since decision to hold  
**2020 Olympic and Paralympic Games in Tokyo**

# The Current City Planning Situation

## National and Local Governments

National territory: Grand Design of National Spatial Development towards 2050 (2014)

Cities: Strategy for Major Cities (2015)

Housing: Basic Plan for Housing (scheduled for 2016)

→ **Individual local governments also starting to revise city planning**

**Lobbies for solutions to issues**



## City planning issues from the business community's point of view

1. Master plan for cities fails to provide overall direction for all city-related policies
2. Industry-related planning limited; inadequate participation from plan development stage by industries that support city economies
3. Difficult to alter plans flexibly in response to shifts in economic and social situations when revisions take place only every few years

# The Ideal City as Envisioned by Keidanren

*A global hub that prevails in competition with other cities at a worldwide level by attracting a wide range of businesses and talented individuals from all over the world and generating new technologies and new industries*

## The 5 Roles Expected of a City

Engagement with the international community

Action to address population decline and aging demographics combined with low birth rate

Creation of environmentally-friendly communities

Creation of new industries and innovation

Provision of safety and security

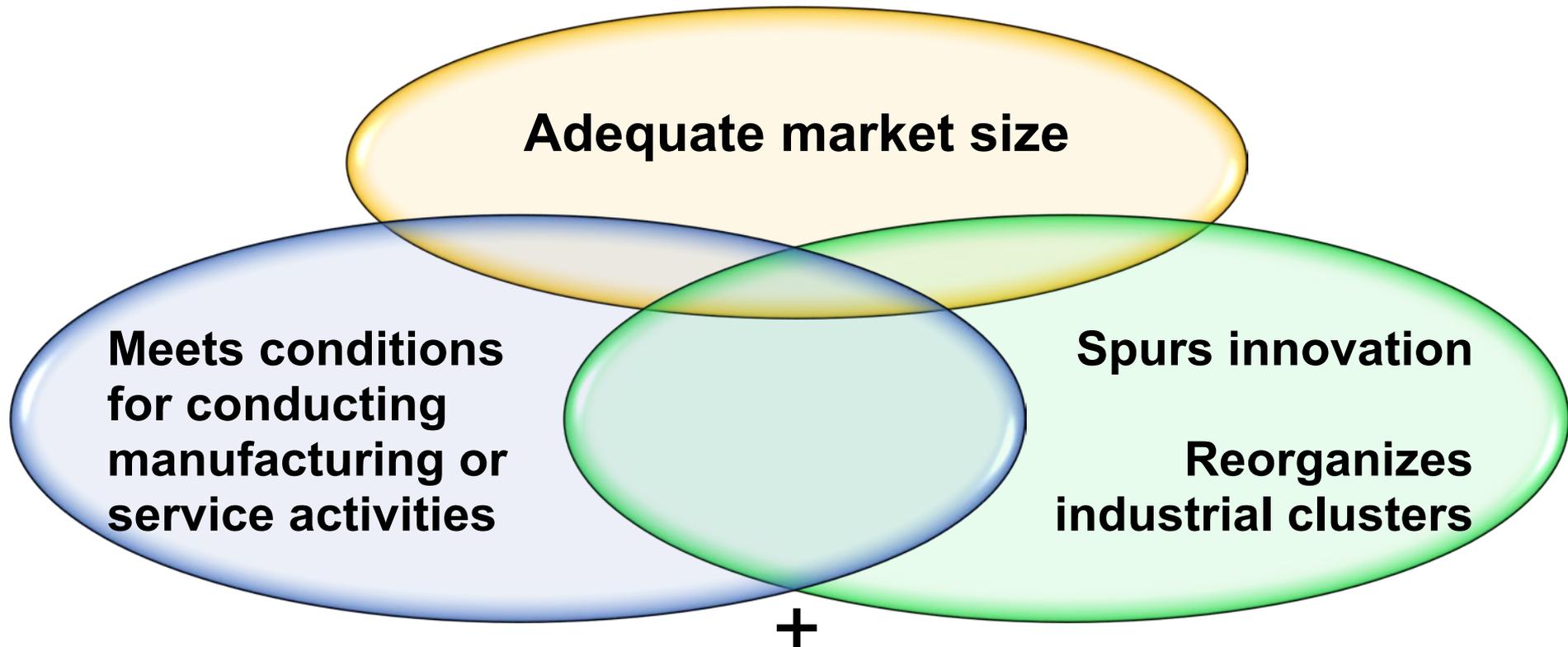
# Making the Vision a Reality

- 1. Attain economic benefits of urban functions (diversity, economies of scale, linkage with other markets) while also reducing administrative costs**
- 2. Strengthen networks for industry, distribution, transportation, tourism, research, etc., between core major cities and their surrounding cities / districts**
- 3. Select and focus on specific policies and geographical areas to anticipate socioeconomic changes in city planning and remain one step ahead of cities overseas**

# Approach to Policy for Major Cities

**Target urban structure: Compact and networked**

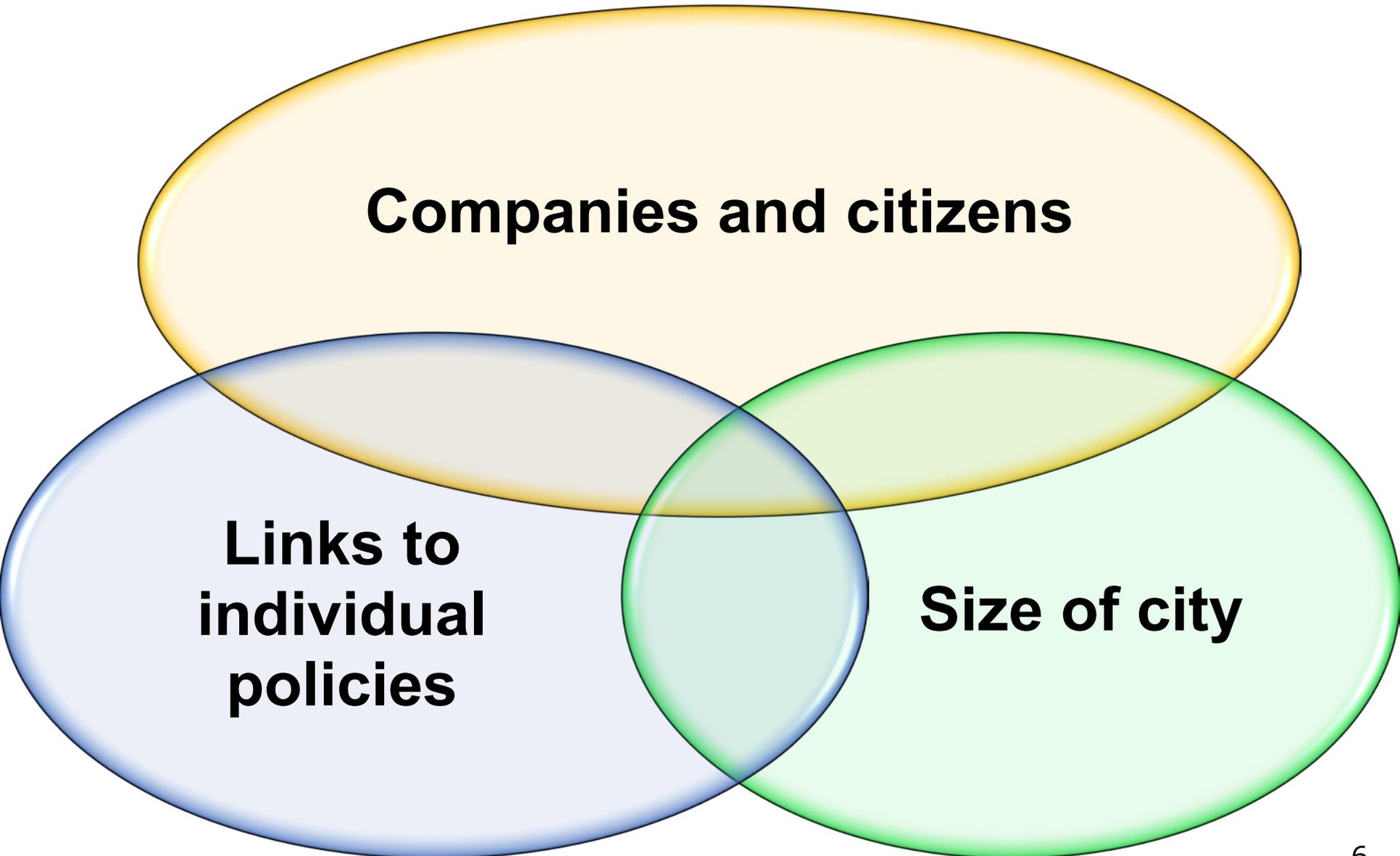
**Urban functions expected by companies**



**Optimal mix of regulations and appropriate management**

Deregulation combined with appropriate controls on development activity 5

# The 3 Aspects of City Planning



**Companies and citizens**

**Links to  
individual  
policies**

**Size of city**

# Horizontal Links to Policies in Each Field

## Industry / Commerce

**Childrearing**

**Local medical/welfare  
services**

**Housing**

**Infrastructure for living  
Living environment**

**Tourism**

**Master plan for cities**

**Distribution**

**Transportation**

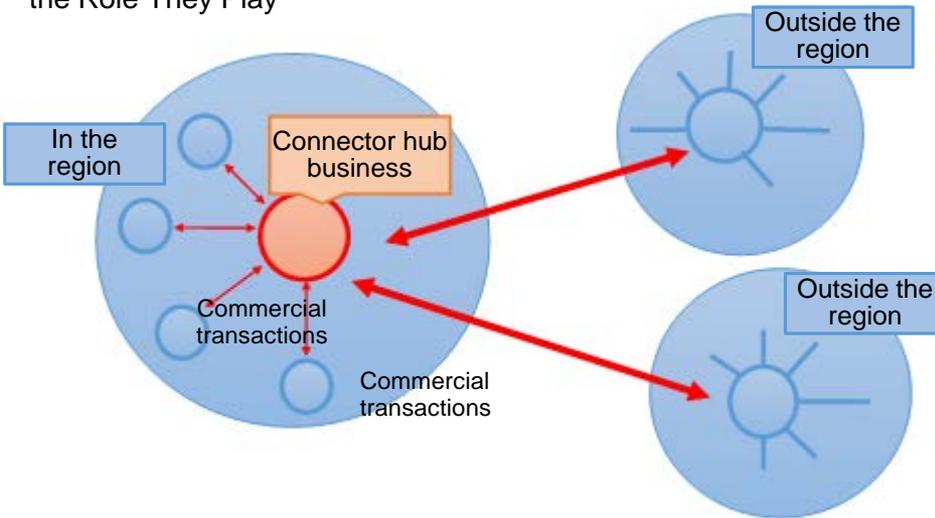
**Environment/energy  
Disaster prevention**

**Urban farmland**

# (1) Industry / Commerce

Necessary to reorganize and revitalize the foundation that supports an urban economy by taking advantage of each city's characteristics and uniqueness

Schematics of Connector Hub Businesses and the Role They Play



Source: The Small and Medium Enterprise Agency, 2014 White Paper on Small and Medium Enterprises in Japan (partially amended by the Keidanren Secretariat)

- Focus on core (**connector hub**) businesses
- Investigate and analyze transactions and comparative advantages between regions
- Strengthen and utilize businesses within a region and **actively expand into markets outside the region**

Use land in ways that facilitate change and renewal in business activities

Forge links between businesses and the local community to revitalize the central commercial zone

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Disaster preparedness**

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## (2) Childrearing & Local Medical/Welfare Services

Projected Increases in Populations of Senior Citizens  
in the Tokyo Area and Other Areas by Age Group  
(2010–2040)

		Approximate increase (thousand people)	Increase (%)
Tokyo area	Age 65–74	1,030	24.9%
	Age 75–84	940	39.4%
	Age 85+	1,900	240.4%
Nagoya area	Age 65–74	170	12.5%
	Age 75–84	180	22.0%
	Age 85+	550	191.3%
Osaka area	Age 65–74	120	5.3%
	Age 75–84	250	17.9%
	Age 85+	1,010	207.6%
Sendai/Sapporo/ Hiroshima/ Fukuoka areas	Age 65–74	210	37.1%
	Age 75–84	200	53.4%
	Age 85+	400	297.7%
Other areas	Age 65–74	-380	-
	Age 75–84	-80	-
	Age 85+	2,680	126.0%

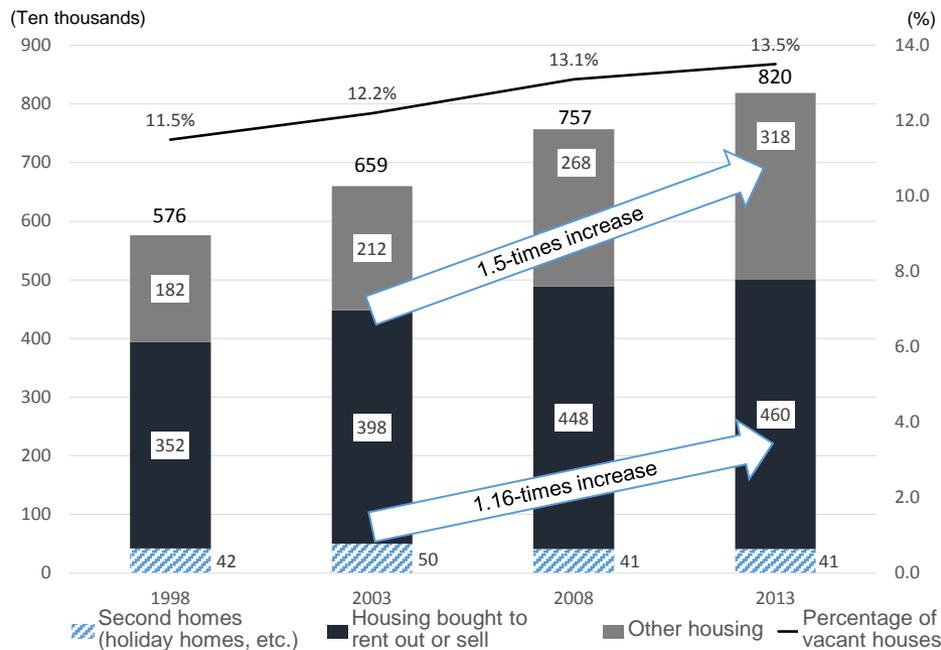
- Senior citizens concentrated in a limited number of locations
- Problem of children waiting for entering day care centers



- Make effective use of **existing stock**, such as unused public land
- Divide cities into large blocks to **improve capacity to provide daily life services**
- When restoring housing developments, etc., make part of each development into a hub for welfare provision

# (3) Housing

## Increase in Vacant Houses by Type



Source: 2013 Housing and Land Survey, Ministry of Internal Affairs and Communications

- Deal with sprawling built-up areas
- Utilize vacant houses for rental, sale, or other purposes
- Curb increase in vacant houses by systematically demolishing and removing those that are difficult to utilize



- Provide **good quality housing that offers greater asset value** (earthquake-resistant, energy-saving, improved heat insulation/durability)
- **Create good-quality housing stock and establish a secondary market for existing housing** by rebuilding and renovating purchased houses to facilitate their maintenance and make them more attractive

## (4) Living Infrastructure & Living Environment

- Face up to **dilapidation** not only in public amenities, but also in privately-owned amenities of a public nature, such as underground malls, etc.
- On city peripheries **townscapes are increasingly unattractive** due to reduced green space, loss of historical and cultural assets, and poorly planned development resulting in narrow streets and mismatched houses, etc.



(Photo provided by: City of Kanazawa)

- **Ensure safety and security** through efficient and effective management of social infrastructure using private-sector expertise
- **Create beautiful townscapes** that make use of tradition, culture, existing streetscapes, and other resources unique to each region

## (5) Tourism

- In addition to historical and cultural assets, townscapes, historic sites, etc., **large shopping centers are also attracting attention for inbound consumption** because overseas tourists visiting Japan buy large volumes of products in these locations
- Meanwhile, it has become difficult to **maintain and preserve tourist attractions** due to the decline in annual festivals, etc. as a result of population decline and aging



- **Encourage tourism demand throughout the year to achieve a virtuous cycle of investment and attraction of visitors to cities**
- Enhance ease of migration of tourists around cities by **developing new tourist attractions, holding events using public spaces, improving sidewalks, etc.**

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**Infrastructure for living  
Living environment**

**Tourism**

**Master plan for cities**

**Distribution**

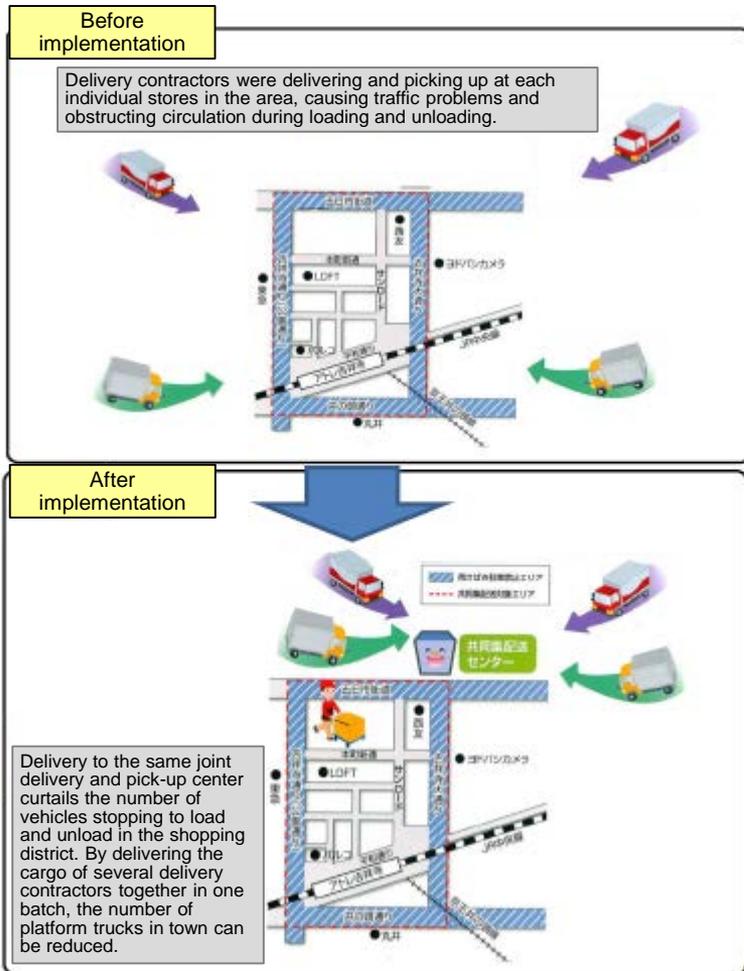
**Transportation**

**Environment/energy  
Disaster prevention**

**Urban farmland**

# (6) Distribution

## Example of Joint Distribution within a Region (Kichijoji Method)



Source: Overall Direction of Logistics Policy [Reference Materials], Ministry of Land, Infrastructure, Transport and Tourism

Demand for distribution including small, frequent shipments and door-to-door delivery, etc. is increasing, but **transportation efficiency is declining** due to **insufficient space to park and load/unload**, particularly in city centers

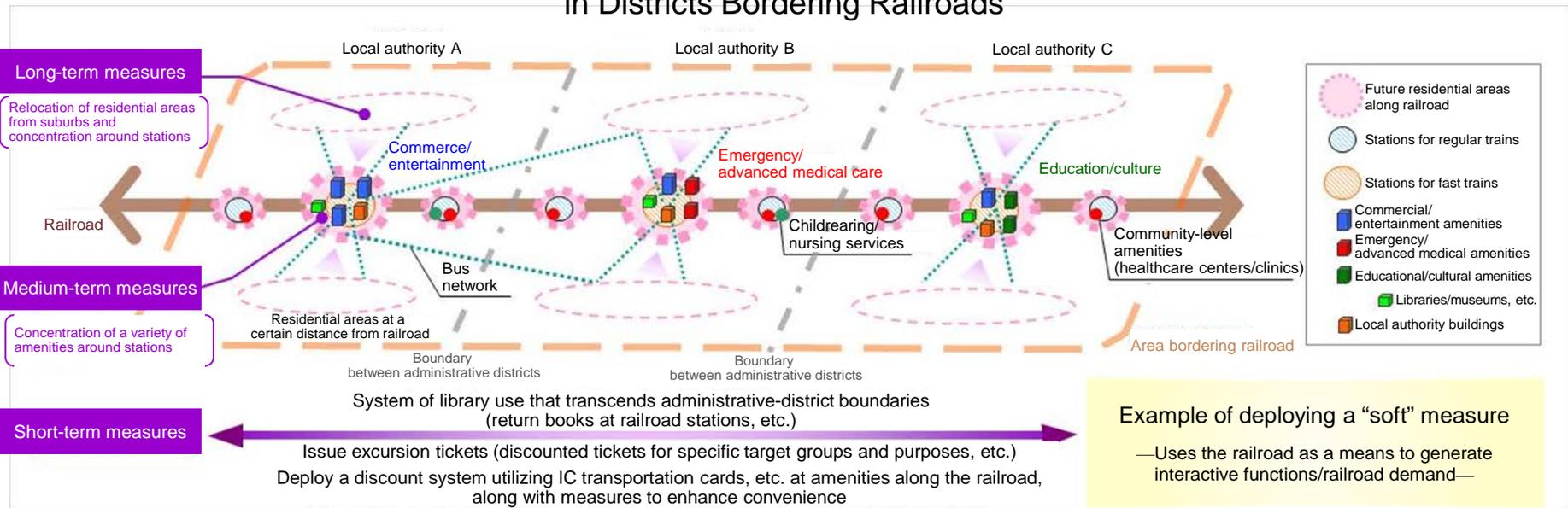


**Promote more efficient distribution linked to community development by providing shared loading/unloading centers and securing parking space.** Such efforts should be focused on districts where urban functions are clustered and distribution activities are concentrated, such as around stations, etc.

# (7) Transportation

- Urban functions are scattered in suburbs that sprawled during Japan's period of rapid economic growth
- Populations are aging, and it has become harder to maintain a comfortable lifestyle

## Potential Urban Functions Provided via Coordination and Role-Sharing among Local Authorities in Districts Bordering Railroads



Source: Data from the First Meeting of Major Cities Strategic Review Board of the Ministry of Land, Infrastructure, Transport and Tourism

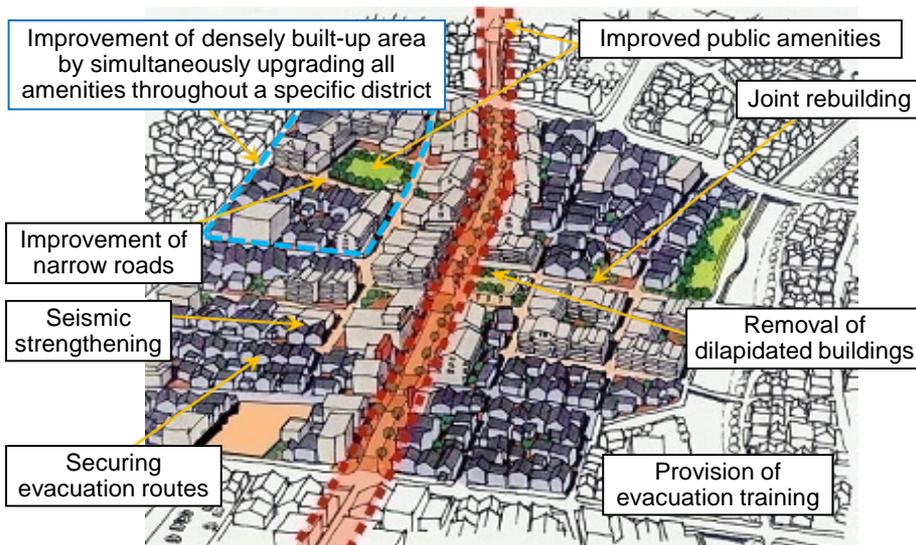
- Use public transport as focal point to bring daily life services and workplaces into proximity
- Progress with trials in city pioneering model for next-generation mobility

## (8) Environment/Energy/Disaster Preparedness

- Necessary to reduce risks accompanying major disaster in city center or coastal area to ensure safety and security for citizens, as well as **business continuity for companies**
- Prospects for reducing carbon and promoting use of independent distributed energy systems are promising



### Potential Improvement of a Densely Built-Up Area



- Encourage more “smart houses” and “smart communities”
- Prevent secondary disasters by **pursuing improvement of densely built-up areas**
- Start with measures in each household to enhance capacity for energy conservation and disaster preparedness **throughout an area**

## (9) Urban Farmland



Source: Mizkan Center for Water Culture

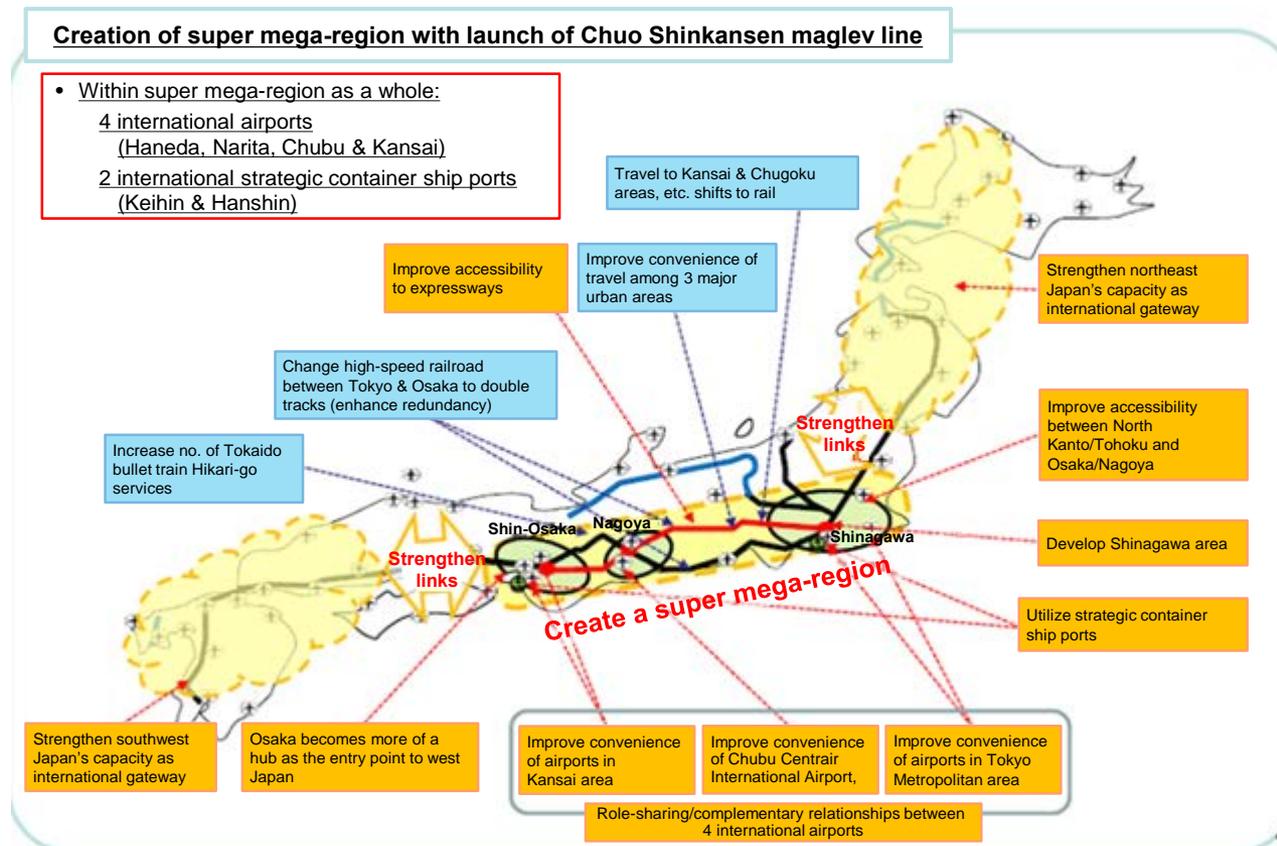
- Decreased pressure to develop city farmland
- **Vacant land** increasing in urban areas
- **Small farming plots mixed in** among residential districts, commercial facilities, factories, etc.
- System of local authorities buying back land as “productive green zone” is not functioning adequately



- Review distribution of farmland within cities in terms of both productive green areas and housing development and create well-designed built-up areas by **reducing the extent to which farmland and residential districts are mixed**
- Formulate land use plans to enable **well-designed living environments to co-exist with agriculture** and review systems relating to promotion of urban agriculture and preservation of city farmlands

# Tokyo/Kyoto-Osaka/Nagoya Areas

- **Organically link** existing clusters of urban functions and new urban regeneration projects by **improving the transportation network**
- **Share roles appropriately among the 3 major urban areas** according to progress made in improving the expressway network and the Chuo Shinkansen maglev line



# Bloc Hub Cities (Sapporo, Sendai, Fukuoka, etc.)

- Revitalize sectors that have advantages in these locations to enable them to serve as **hubs for wide-area economic blocs**
- **In city planning, stipulate** relative roles of industries/business activities that characterize a city, and emphasize bolstering links with economies outside the region

Specialization Coefficients and Labor Productivity of Sendai Economic Bloc

