Endogenous Regional Development and Capacity Development towards Creating a Sustainable Society

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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 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

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**United Nations Centre for Regional Development (UNCRD)**
Exogenous Regional Development (ExRD)

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, development of unused resources — absorption of technologies

- dependent on foreign capital and technologies

- Income Doubling Plan (1960)
  (The Pacific Belt Zone Plan)
Comprehensive National Development Plan
(1962～)

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></th>
<th>Approved year</th>
<th>Target year</th>
<th>Basic objective</th>
<th>Development strategy</th>
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</thead>
<tbody>
<tr>
<td>1st</td>
<td>1962</td>
<td>1970</td>
<td>Regionally balanced development</td>
<td>Development of selected key regions</td>
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<tr>
<td>2nd</td>
<td>1969</td>
<td>1985</td>
<td>Improvement of environment</td>
<td>Promotion of large-scale projects</td>
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<tr>
<td>3rd</td>
<td>1977</td>
<td>1985</td>
<td>Comprehensive improvement of human living environment</td>
<td>Integrated residence policy</td>
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<tr>
<td>5th</td>
<td>1998</td>
<td>2010 - 2015</td>
<td>Creation of multi-axial national land structure</td>
<td>Participation and cooperation</td>
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</table>
Results

- High economic growth/stable growth – increase in GDP
- Accompanied by many problems
- Rural-to-urban migration and occurrence of overpopulation and depopulation problems – socioeconomic imbalance
- Environmental problems
Population Concentration

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

Source: Kokudo Kotsu Hakusho

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

- Industrial pollution (1955-1975)
  - Anti-pollution measures:
    Lawsuits, citizens’ movement, municipalities’ movement,
    Anti-pollution Acts (Bottom-up system)

  Environmental standards, Anti-pollution technologies,
  Polluter-Pays Principle
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

Friction

High Economic Growth

Social welfare-supporting system
Good living environment (infrastructure)

Problems:
- Pollution, health problems
- Deterioration of living environment by overpopulation/depopulation
- Destruction of the natural environment and traditional culture of the region
- Decline in rural vitality, strong dependency on government
- Hollowing-out 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 culture, traditions, and skills (“Only One”)
Creation of new local industries
Pursuit of a circular flow of local development activities
Conservation of local environment

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

- Preservation
- Utilization
- Creation

Capacity Development*
= 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: 45.72 km² (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
- Stabilization of production by introducing a multi-item small-lot production system
- 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)

- Development of tourist facilities-- “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 and Vice Governor won the governorship and advocated the “One Village, One Product Movement”
“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

Governor held meetings with municipal mayors and residents to explain importance of the movement. Mayors and residents supported the governor’s idea and residents started to take action to carry it out.
Three Principles

Local yet Global

Self-reliance Creativity

Human Resource Development

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

Lateral support

- Support for product development and technology enhancement = improvement of research and training organizations, extension centres (extension workers)
- Support for distribution and market enlargement = a call for “local production for local consumption,” early-morning sales at markets, Michinoeki (road station), product advertising at fairs and antenna shops
- Support for human resource development = provision of training and exchange opportunities, in-country and overseas trainings, awarding of prizes
- Review of the financing system and provision of management guidance = institutionalized financing for activities centred on women and the elderly, provision of thorough management guidance, certification of female management consultants
**Achievements in 2002**

<table>
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<tr>
<th>Area</th>
<th>Value</th>
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<tbody>
<tr>
<td>Specialty products</td>
<td>338</td>
</tr>
<tr>
<td>Special facilities</td>
<td>148</td>
</tr>
<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><strong>Total</strong></td>
<td><strong>840</strong></td>
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Between 1980 and 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-fold growth).

Oita Prefecture produces the best-quality mushrooms and Bungo beef in Japan.
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>
</tr>
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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: 11,600
- No. of households: 4,100
- 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
Yufuin in the 1950s and 1960s

- Yufuin just an old-fashioned hot-spring town
- Inns in Yufuin in the red due to decreasing popularity and faced with financial difficulties
- Youthful inn-owners, farmers, and town officers started campaign
  Goal: To make the serenity of Yufuin an appealing tourist attraction!
- Three young inn-managers, later to become leaders for community development, visited Europe for 50 days in 1971
  Convinced that Yufuin had power to heal people.
  “Let’s rebuild our Yufuin as a new resort area which can really heal visitors while preserving our rustic scenery as it is!”
  Community development with clear vision for creating a spa and health spa resort
Earthquake hit the central apart of Oita Prefecture on 21 April 1975

- 6.4 on the Richter scale
- One hotel was destroyed, but rumors spread that Yufuin seriously damaged
- Tourists cancelled bookings
- People of Yufuin had difficult time stopping rumors

To rebuild its good image

- Horse carriage started in 1975
- Yufuin Musical Festival started in 1975
- BBQ Festival conducted on the plateaus 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”
- Ordinance for Preserving Living Environment: Require organizations concerned to receive consultation
- on height and color of construction when building large-scale construction

Results
- According to polling by a national newspaper, Yufuin selected as best hot-spring people want to go to.
  Reason: Quiet town
- Magazines and travel agencies also reported similar data based on their questionnaires
- Yufuin is best hot-spring town you would ever want to go to
- Has long history of being famous for its healing properties
- Number of annual visitors from all over Japan to this tiny town with a population of 12,000 increased to 3.8 million
- Tourists totally satisfied with its elegant pastoral 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 30s
  → 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 Affluent Community Development Ordinance

• People's participation: sharing concept
  - Did not aim to be “Best one” nor “Number one,” but “Only One (=Yufuin-ness)”
  - Considered small is great
  - Local people proud of Yufuin and say with pride, “I’m from Yufuin,” or “Yufuin is my hometown.”

Outcome: Human Resource Development
  Developed outstanding human resources with fertile imagination and spirit of challenge
Case Study: Boosting Town’s Economy under Leadership of Mayor

Ikeda Town, Hokkaido Prefecture  
(As of 1 October 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.

Town focused attention on local wild grapes and conceived the idea of making wine from them.

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

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. Established itself as a producer of wine grapes.

Operation of town-run winery

Profits

Road maintenance, hall construction, pottery factories, etc.

Collaboration with other local industries

= Incentive to revitalize communities and town

Source: Kiyonari Tadao, 1989
Case Study: Community Revitalization through Female Entrepreneurship

Meiho, Gifu Prefecture

(As of 1 March 2008)

- Population: 2,089, Households: 573, Area: 154.86km² (94% forestlands)

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

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

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

- In July 1992, the 5th third-sector organization, “Meiho Ladies Corp.” founded.
  - President and all employees (23) female (farm housewives)
  - Development and sales of tomato ketchup as specialty product
  - Sales of gift package of specialty products
  - Development of business base
Michinoeki (road station)  
868 Michinoeki registered by MLIT nationwide (1993—2007)

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

- Revitalizing local communities
  - Direct sales of local specialties such as agricultural products
  - Job and income creation
  - 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
Michinoeki Meiho

- Constructed in 1989 and registered in 1994
- Acts as hub of village
- Provides information on traffic events and local history and culture
- Sells specialty products of 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 December 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 houses), working place for the elderly, tourism spot with education facility (1979)
- Hyakunenso: welfare center, 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)

↓

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

End result →
Capacity Development towards Creating a Sustainable Society
Other Examples

- Yufuin, Oita Pref. (healing hot spa)
- Yubari Melon
- 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 (Lao PDR)
  - Neg Bag Neg Shildeg Buteegdekhuun (Mongolia)
Thank You